

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

security, then the Reserved Property shall revert to the TCI Group and the former holders of Liberty/Ventures Group Tracking Stock shall have no interest in the Reserved Property.

The option to convert Liberty/Ventures Group Tracking Stock into TCI Group Tracking Stock in the event of a Disposition provides TCI with additional flexibility by allowing TCI to deliver consideration in the form of shares of TCI Group Tracking Stock rather than cash, securities or other property. This alternative could be used, for example, in circumstances when TCI did not have sufficient legally available assets under the DGCL to pay the full amount of an otherwise required dividend or redemption or when TCI desired to retain such proceeds.

If TCI disposed of less than substantially all of the properties and assets of the Liberty/Ventures Group in one transaction, TCI would not be required to pay a dividend on, redeem or convert the outstanding shares of Liberty/Ventures Group Tracking Stock, even if TCI later disposed of additional properties and assets of the Liberty/Ventures Group, which, together with the properties and assets disposed of in the first transaction would have constituted substantially all of the properties and assets of the Liberty/Ventures Group at the time of the first transaction, unless such transactions constituted a series of related transactions. The second transaction, however, could trigger such a requirement if the properties and assets disposed of in the second transaction constituted at least substantially all of the properties and assets of the Liberty/Ventures Group at such time. If TCI disposed of less than substantially all of the properties and assets of the Liberty/Ventures Group, the holders of Liberty/Ventures Group Tracking Stock would not be entitled to receive any dividend or have their shares redeemed or converted for TCI Group Tracking Stock, although the TCI Board could determine, in its sole discretion, to pay a dividend on the Liberty/Ventures Group Tracking Stock in an amount related to the proceeds of such Disposition.

At the time of any dividend made as a result of a Disposition referred to above, the TCI Group will be credited, and the Liberty/Ventures Group will be charged (in addition to the charge for the dividend paid in respect of outstanding shares of Liberty/Ventures Group Tracking Stock), with an amount equal to the product of (a) the aggregate amount paid in respect of such dividend times (b) a fraction the numerator of which is the Liberty/Ventures Group Inter-Group Interest Fraction and the denominator of which is the Liberty/Ventures Group Outstanding Interest Fraction.

Redemption in Exchange for Stock of Subsidiary

At any time at which all of the assets and liabilities attributed to the Liberty/Ventures Group have become and continue to be held directly or indirectly by any one or more Liberty/Ventures Group Qualifying Subsidiaries, the TCI Board may, subject to the availability of assets of TCI legally available therefor, redeem on a *pro rata* basis, all of the outstanding shares of Liberty/Ventures Group Tracking Stock in exchange for an aggregate number of outstanding, fully paid and nonassessable shares of common stock of each Liberty/Ventures Group Qualifying Subsidiary equal to the product of the Adjusted Liberty/Ventures Group Outstanding Interest Fraction and the number of outstanding shares of common stock of such Liberty/Ventures Group Qualifying Subsidiary that are owned by TCI. **"Liberty/Ventures Group Qualifying Subsidiary"** means a subsidiary of TCI that holds, directly or indirectly, assets or liabilities attributed to the Liberty/Ventures Group in which (a) TCI's ownership and voting interest is sufficient to satisfy the requirements of the IRS for a distribution of TCI's interest in such subsidiary to holders of Liberty/Ventures Group Series A Tracking Stock and Liberty/Ventures Group Series B Tracking Stock that is tax free to such holders or (b) TCI owns, directly or indirectly, all of the issued and outstanding capital stock. In order for such a subsidiary to be a Liberty/Ventures Group Qualifying subsidiary under clause (a) of the previous sentence, TCI or a subsidiary of TCI would have to own at least 80% of the total combined voting power of all classes of stock of such subsidiary entitled to vote and at least 80% of the total number of all other classes of shares of such subsidiary.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

The effect of using the Adjusted Liberty/Ventures Group Outstanding Interest Fraction instead of the Liberty/Ventures Group Outstanding Interest Fraction in the determination of shares of the Liberty/Ventures Group Qualifying Subsidiaries deliverable in such a redemption is to allocate to the TCI Group a portion of the shares of the Liberty/Ventures Group Qualifying Subsidiaries, in addition to the number of such shares so allocated in respect of any inter-group interest, sufficient to provide for the delivery of the consideration deliverable by TCI upon any post-redemption conversion, exercise or exchange of Pre-Existing Convertible Securities or other TCI Convertible Securities (other than Pre-Existing Convertible Securities) that become so payable in substitution for shares of Liberty/Ventures Group Tracking Stock that would have been issuable upon such exchange if it had occurred prior to such redemption.

In effecting such a redemption, the TCI Board may determine either to:

- redeem shares of Liberty/Ventures Group Tracking Stock in exchange for shares of separate classes or series of common stock of each Liberty/Ventures Group Qualifying Subsidiary with relative voting rights and related differences in designation, conversion, redemption and share distribution provisions not greater than the corresponding differences in voting rights, designation, conversion, redemption and share distribution provisions between Liberty/Ventures Group Series A Tracking Stock and Liberty/Ventures Group Series B Tracking Stock, with holders of shares of Liberty/Ventures Group Series B Tracking Stock receiving the class or series having the higher relative voting rights, or
- redeem shares of Liberty/Ventures Group Series A Tracking Stock and Liberty/Ventures Group Series B Tracking Stock in exchange for shares of a single class of common stock of each Liberty/Ventures Group Qualifying Subsidiary without distinction between the shares distributed to the holders of the two series of Liberty/Ventures Group Tracking Stock.

Certain Provisions Respecting Convertible Securities

If all the outstanding shares of Liberty/Ventures Group Tracking Stock are redeemed or converted, the following provisions will apply with respect to securities convertible into or exercisable or exchangeable for shares of Liberty/Ventures Media Group Tracking Stock:

- *Pre-Existing Convertible Securities.* Unless the provisions of any class or series of Pre-Existing Convertible Securities provide specifically to the contrary, after any conversion date or redemption date on which all outstanding shares of Liberty/Ventures Group Tracking Stock were converted or redeemed, any shares of Liberty/Ventures Group Tracking Stock that are issued on conversion, exercise or exchange of any Pre-Existing Convertible Securities will, immediately upon issuance, be converted into or redeemed in exchange for, as applicable, the kind and amount of consideration that would have been received had such Pre-Existing Convertible Securities been converted, exercised or exchanged into Liberty/Ventures Group Tracking Stock immediately prior to such action.
- *Other TCI Convertible Securities.* Unless the provisions of any class or series of TCI Convertible Securities (other than Pre-Existing Convertible Securities) provide specifically to the contrary, after any conversion date or redemption date on which all outstanding shares of Liberty/Ventures Group Tracking Stock were converted or redeemed, any share of Liberty/Ventures Group Tracking Stock that is issued on conversion, exercise or exchange of any such TCI Convertible Securities will, immediately upon issuance pursuant to such conversion, exercise or exchange, be redeemed in exchange for, to the extent assets of TCI are legally available therefor, \$0.01 per share in cash.

General Conversion and Redemption Provisions

Public Announcement Required in Connection with Dispositions. Not later than the 10th trading day following the consummation of a Disposition in one transaction or a series of transactions of all or substantially all of the properties and assets of the Liberty/Ventures Group to any one or more persons, entities or groups,

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

TCI will issue a press release stating (a) the Liberty/Ventures Group Net Proceeds of such Disposition, (b) the number of outstanding shares of each series of Liberty/Ventures Group Tracking Stock, (c) the number of shares of each series of Liberty/Ventures Group Tracking Stock into or for which TCI Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof (and stating which, if any, of such TCI Convertible Securities are Pre-Existing Convertible Securities), (d) the Liberty/Ventures Group Outstanding Interest Fraction as of a recent date preceding the date of such notice and (e) the Adjusted Liberty/Ventures Group Outstanding Interest Fraction as of a recent date preceding the date of such notice. Not earlier than the 26th trading day and not later than the 30th trading day following the consummation of such Disposition, TCI will issue a press release stating which of the actions described in clause (a), (b) or (c) of the first paragraph under “—Mandatory Dividend, Redemption or Conversion of Liberty/Ventures Group Tracking Stock” it has irrevocably determined to take.

Notices Required in Connection with Certain Dividends. If TCI determines to pay a dividend described in clause (a) of the first paragraph under “—Mandatory Dividend, Redemption or Conversion of Liberty/Ventures Group Tracking Stock,” TCI will, not later than the 30th trading day following the consummation of such Disposition, cause to be given to each holder of outstanding shares of Liberty/Ventures Group Tracking Stock a notice setting forth (a) the record date for determining holders entitled to receive such dividend, which will be not earlier than the 40th trading day and not later than the 50th trading day following the consummation of such Disposition, (b) the anticipated payment date of such dividend (which will not be more than 85 trading days following the consummation of such Disposition), (c) the kind of shares of capital stock, cash and/or other securities or property to be distributed in respect of shares of each series of Liberty/Ventures Group Tracking Stock, (d) the Liberty/Ventures Group Net Proceeds of such Disposition, (e) the Liberty/Ventures Group Outstanding Interest Fraction as of a recent date preceding the date of such notice, and (f) the number of outstanding shares of each series of Liberty/Ventures Group Tracking Stock and the number of shares of each series of Liberty/Ventures Group Tracking Stock into or for which outstanding TCI Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof.

Notices Required in Connection with Redemptions Involving Dispositions of All Liberty/Ventures Group Assets. If TCI determines to undertake a redemption of shares of Liberty/Ventures Group Tracking Stock following a Disposition of all (not merely substantially all) of the properties and assets of the Liberty/Ventures Group as described in the first bullet of clause (b) of the first paragraph under “—Mandatory Dividend, Redemption or Conversion of Liberty/Ventures Group Tracking Stock,” TCI will cause to be given to each holder of outstanding shares of Liberty/Ventures Group Tracking Stock a notice setting forth (a) a statement that all shares of Liberty/Ventures Group Tracking Stock outstanding on the redemption date will be redeemed, (b) the redemption date (which will not be more than 85 trading days following the consummation of such Disposition), (c) the kind of shares of capital stock, cash and/or other securities or property to be paid as a redemption price in respect of shares of Liberty/Ventures Group Tracking Stock outstanding on the redemption date, (d) the Liberty/Ventures Group Net Proceeds of such Disposition, (e) the Adjusted Liberty/Ventures Group Outstanding Interest Fraction as of a recent date preceding the date of such notice, (f) the place or places where certificates for shares of Liberty/Ventures Group Tracking Stock, properly endorsed or assigned for transfer (unless TCI waives such requirement), are to be surrendered for delivery of certificates for shares of such capital stock, cash and/or other securities or property, and (g) the number of outstanding shares of each series of Liberty/Ventures Group Tracking Stock and the number of shares of each series of Liberty/Ventures Group Tracking Stock into or for which outstanding TCI Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof (and stating which, if any, of such TCI Convertible Securities are Pre-Existing Convertible Securities). Such notice will be sent not less than 35 trading days nor more than 45 trading days prior to the redemption date.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

Notices Required in Connection with Redemptions Involving Dispositions of Substantially All Liberty/Ventures Group Assets. If TCI determines to undertake a redemption of shares of Liberty/Ventures Group Tracking Stock following a Disposition of substantially all (but not all) of the properties and assets of the Liberty/Ventures Group as described in the second bullet point of clause (b) of the first paragraph under “—Mandatory Dividend, Redemption or Conversion of Liberty/Ventures Group Tracking Stock,” TCI will, not later than the 30th trading day following the consummation of such Disposition, cause to be given to each holder of record of outstanding shares of Liberty/Ventures Group Tracking Stock a notice setting forth (a) a date not earlier than the 40th trading day and not later than the 50th trading day following the consummation of such Disposition, which will be the date on which shares of Liberty/Ventures Group Tracking Stock then outstanding will be selected for redemption, (b) the anticipated redemption date (which will not be more than 85 trading days following the consummation of such Disposition), (c) the kind of shares of capital stock, cash and/or other securities or property to be paid as a redemption price in respect of shares of Liberty/Ventures Group Tracking Stock selected for redemption, (d) the Liberty/Ventures Group Net Proceeds of such Disposition, (e) the Liberty/Ventures Group Outstanding Interest Fraction as of a recent date preceding the date of such notice, (f) the number of outstanding shares of each series of Liberty/Ventures Group Tracking Stock and the number of shares of each series of Liberty/Ventures Group Tracking Stock into or for which outstanding TCI Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof, and (g) a statement that TCI will not be required to register a transfer of any shares of Liberty/Ventures Group Tracking Stock for a period of 15 trading days next preceding the date referred to in clause (a) of this sentence. Promptly following the date referred to in clause (a) of the preceding sentence, but not earlier than the 40th trading day and not later than the 50th trading day following the consummation of such Disposition, TCI will cause to be given to each holder of shares of Liberty/Ventures Group Tracking Stock to be redeemed, a notice setting forth (a) the number of shares of each series of Liberty/Ventures Group Tracking Stock held by such holder to be redeemed, (b) a statement that such shares of Liberty/Ventures Group Tracking Stock will be redeemed, (c) the redemption date (which will not be more than 85 trading days following the consummation of such Disposition), (d) the kind and per share amount of shares of capital stock, cash and/or other securities or property to be received by such holder with respect to each share of such Liberty/Ventures Group Tracking Stock to be redeemed, including details as to the calculation thereof, and (e) the place or places where certificates for shares of such Liberty/Ventures Group Tracking Stock, properly endorsed or assigned for transfer (unless TCI waives such requirement), are to be surrendered for delivery of certificates for shares of such capital stock, cash and/or other securities or property. The outstanding shares of Liberty/Ventures Group Tracking Stock to be redeemed will be redeemed by TCI *pro rata* among the holders of Liberty/Ventures Group Tracking Stock or by such other method as may be determined by the TCI Board to be equitable.

Notices in Connection with Conversion. In the event of any conversion as described under “—Conversion at the Option of TCI” or “—Mandatory Dividend, Redemption or Conversion of Liberty/Ventures Group Tracking Stock,” TCI will cause to be given to each holder of outstanding shares of Liberty/Ventures Group Tracking Stock a notice setting forth (a) a statement that all outstanding shares of Liberty/Ventures Group Tracking Stock will be converted, (b) the conversion date (which will not be more than 85 trading days following the consummation of such Disposition in the event of a conversion pursuant to the provisions described under “—Mandatory Dividend, Redemption or Conversion of Liberty/Ventures Group Tracking Stock” and which will not be more than 120 days after the Appraisal Date in the event of a conversion pursuant to the provisions described under “—Conversion at the Option of TCI”), (c) the per share number (or fraction) of shares of TCI Group Series A Tracking Stock or TCI Group Series B Tracking Stock, as applicable, to be received with respect to each share of Liberty/Ventures Group Series A Tracking Stock or Liberty/Ventures Group Series B Tracking Stock, including details as to the calculation thereof, (d) the place or places where certificates for shares of Liberty/Ventures Group Tracking Stock, properly endorsed or assigned for transfer (unless TCI waives such requirement), are to be surrendered, and (e) the number of outstanding shares of each series of Liberty/Ventures Group Tracking Stock, and the number of shares of each series of

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

Liberty/Ventures Group Tracking Stock into or for which outstanding TCI Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof. Such notice will be sent not less than 35 trading days nor more than 45 trading days prior to the conversion date.

Notices Required in Connection with Redemptions in Exchange for Stock of Liberty/Ventures Group TCI Qualifying Subsidiaries. If TCI determines to redeem shares of Liberty/Ventures Group Tracking Stock as described under “—Redemption in Exchange for Stock of Subsidiary,” TCI will promptly cause to be given to each holder of Liberty/Ventures Group Tracking Stock a notice setting forth (a) a statement that all outstanding shares of Liberty/Ventures Group Tracking Stock will be redeemed in exchange for shares of common stock of the Liberty/Ventures Group Qualifying Subsidiaries, (b) the redemption date, (c) the Adjusted Liberty/Ventures Group Outstanding Interest Fraction as of a recent date preceding the date of such notice, (d) the place or places where certificates for shares of Liberty/Ventures Group Tracking Stock, properly endorsed or assigned for transfer (unless TCI waives such requirement), are to be surrendered for delivery of certificates for shares of common stock of the Liberty/Ventures Group Qualifying Subsidiaries, and (e) the number of outstanding shares of each series of Liberty/Ventures Group Tracking Stock and the number of shares of each series of Liberty/Ventures Group Tracking Stock into or for which outstanding TCI Convertible Securities are then convertible, exercisable or exchangeable and the conversion, exercise or exchange prices thereof (and stating which, if any, of such TCI Convertible Securities are Pre-Existing Convertible Securities). Such notice will be sent not less than 35 trading days nor more than 45 trading days prior to the redemption date.

Notices to Holders of TCI Convertible Securities. In each case in which a notice is required to be given to holders of outstanding shares of Liberty/Ventures Group Series A Tracking Stock and Liberty/Ventures Group Series B Tracking Stock in accordance with the preceding five paragraphs (other than a notice to holders of shares selected for redemption), notice shall also be given, within the required time period, to each holder of TCI Convertible Securities that are convertible into or exercisable or exchangeable for shares of either such series (unless provision for such notice is otherwise made pursuant to the terms of such TCI Convertible Securities), which notice shall include, in addition to all of the information set forth in the corresponding notice to holders of Liberty/Ventures Group Tracking Stock, a statement to the effect that the holders of such TCI Convertible Securities will be entitled to receive the dividend, participate in the redemption of shares following a Disposition or in the selection of shares for redemption, participate in the conversion of shares or participate in the redemption of shares in exchange for stock of the Liberty/Ventures Group Qualifying Subsidiaries only if such holder appropriately converts, exercises or exchanges such TCI Convertible Securities on or prior to the record date for the dividend, redemption date, date fixed for selection of shares to be redeemed or conversion date, as applicable, set forth in such notice. In the case of a redemption or conversion of shares of Liberty/Ventures Group Tracking Stock, the notice to holders of TCI Convertible Securities shall also state what, if anything, such holders will be entitled to receive pursuant to the terms of such TCI Convertible Securities or, if applicable, the provision described under “—Certain Provisions Respecting Convertible Securities” if such holders convert, exercise or exchange such TCI Convertible Securities following the redemption date or conversion date, as applicable.

Method of Notice. All notices required to be given in accordance with the preceding paragraphs will be sent to a holder by first class mail, postage prepaid, at the holder's address as the same appears on the transfer books of TCI. Neither the failure to mail any notice to any particular holder of Liberty/Ventures Group Tracking Stock or of TCI Convertible Securities nor any defect therein will affect the sufficiency thereof with respect to any other holder of outstanding shares of Liberty/Ventures Group Tracking Stock or of TCI Convertible Securities, or the validity of any conversion or redemption.

Fractional Shares. TCI will not be required to issue or deliver fractional shares of any class of capital stock or any fractional securities to any holder of Liberty/Ventures Group Tracking Stock upon any conversion, redemption, dividend or other distribution described above. In connection with the determination of the number

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

of shares of any class of capital stock that is issuable or the amount of securities that is deliverable to any holder of record upon any such conversion, redemption, dividend or other distribution (including any fractions of shares or securities), TCI may aggregate the number of shares of Liberty/Ventures Group Tracking Stock held at the relevant time by such holder of record. If the number of shares of any class of capital stock or the amount of securities remaining to be issued or delivered to any holder of Liberty/Ventures Group Tracking Stock is a fraction, TCI will, if such fraction is not issued or delivered to such holder, pay a cash adjustment in respect of such fraction in an amount equal to the fair market value of such fraction on the fifth trading day prior to the date such payment is to be made (without interest). For purposes of the preceding sentence, "fair market value" of any fraction will be (a) in the case of any fraction of a share of capital stock of TCI, the product of such fraction and the Market Value of one share of such capital stock and (b) in the case of any other fractional security, such value as is determined by the TCI Board.

Adjustments for Dividends and Other Distributions. No adjustments in respect of dividends will be made upon the conversion or redemption of any shares of Liberty/Ventures Group Tracking Stock; *provided, however,* that, if the conversion date or the redemption date with respect to the Liberty/Ventures Group Tracking Stock is subsequent to the record date for the payment of a dividend or other distribution thereon or with respect thereto, the holders of shares of Liberty/Ventures Group Tracking Stock at the close of business on such record date will be entitled to receive the dividend or other distribution payable on or with respect to such shares on the date set for payment of such dividend or other distribution, notwithstanding the conversion or redemption of such shares or TCI's default in payment of the dividend or distribution due on such date.

Surrender of Certificates. Before any holder of shares of Liberty/Ventures Group Tracking Stock will be entitled to receive certificates representing shares of any kind of capital stock or cash and/or securities or other property to be received by such holder with respect to any conversion or redemption of shares of Liberty/Ventures Group Tracking Stock, such holder is required to surrender at such place as TCI will specify certificates for such shares, properly endorsed or assigned for transfer (unless TCI waives such requirement). TCI will as soon as practicable after surrender of certificates representing shares of Liberty/Ventures Group Tracking Stock deliver to the person for whose account such shares were so surrendered, or to the nominee or nominees of such person, certificates representing the number of whole shares of the kind of capital stock or cash and/or securities or other property to which such person is entitled, together with any payment for fractional securities referred to above. If less than all of the shares of Liberty/Ventures Group Tracking Stock represented by any one certificate are to be redeemed, TCI will issue and deliver a new certificate for the shares of Liberty/Ventures Group Tracking Stock not redeemed. TCI will not be required to register a transfer of (a) any shares of Liberty/Ventures Group Tracking Stock for a period of 15 trading days next preceding any selection of shares of Liberty/Ventures Group Tracking Stock to be redeemed or (b) any shares of Liberty/Ventures Group Tracking Stock selected or called for redemption. Shares selected for redemption may not thereafter be converted pursuant to the provisions described under "—Conversion at the Option of the Holder."

Limited Rights Following a Conversion or Redemption. From and after any applicable conversion date or redemption date, all rights of a holder of shares of Liberty/Ventures Group Tracking Stock that were converted or redeemed will cease except for the right, upon surrender of the certificates representing shares of Liberty/Ventures Group Tracking Stock, to receive certificates representing shares of the kind and amount of capital stock or cash and/or securities or other property for which such shares were converted or redeemed, together with any payment for fractional securities, and such holder will have no other or further rights in respect of the shares of Liberty/Ventures Group Tracking Stock so converted or redeemed, including, but not limited to, any rights with respect to any cash, securities or other property that are reserved or otherwise designated by TCI as being held for the satisfaction of TCI's obligations to pay or deliver any cash, securities or other property upon the conversion, exercise or exchange of any TCI Convertible Securities outstanding as of the date of such conversion or redemption. No holder of a certificate that, immediately prior to the

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

applicable conversion date or redemption date for the Liberty/Ventures Group Tracking Stock, represented shares of Liberty/Ventures Group Tracking Stock will be entitled to receive any dividend or other distribution with respect to shares of any kind of capital stock into or in exchange for which the Liberty/Ventures Group Tracking Stock was converted or redeemed until surrender of such holder's certificate for a certificate or certificates representing shares of such kind of capital stock. Upon such surrender, there will be paid to the holder the amount of any dividends or other distributions (without interest) that theretofore became payable with respect to a record date after the conversion date or redemption date, as the case may be, but that were not paid by reason of the foregoing, with respect to the number of whole shares of the kind of capital stock represented by the certificate or certificates issued upon such surrender. From and after a conversion date or redemption date, as the case may be, of Liberty/Ventures Group Tracking Stock, TCI will, however, be entitled to treat the certificates for shares of Liberty/Ventures Group Tracking Stock that have not yet been surrendered for conversion or redemption as evidencing the ownership of the number of whole shares of the kind or kinds of capital stock for which the shares of Liberty/Ventures Group Tracking Stock represented by such certificates have been converted or redeemed, notwithstanding the failure to surrender such certificates.

Payment of Certain Taxes. TCI will pay any and all documentary, stamp or similar issue or transfer taxes that may be payable in respect of the issue or delivery of any shares of capital stock and/or other securities on conversion or redemption of shares of Liberty/Ventures Group Tracking Stock. TCI will not, however, be required to pay any tax that may be payable in respect of any transfer involved in the issue and delivery of any shares of capital stock in a name other than that in which the shares of Liberty/Ventures Group Tracking Stock so converted or redeemed were registered and no such issue or delivery will be made unless and until the person requesting such issue has paid to TCI the amount of any such tax, or has established to the satisfaction of TCI that such tax has been paid.

Liquidation Rights

In the event of a voluntary or involuntary liquidation, dissolution or winding up of TCI, payment or provision for payment shall first be made for the debts and other liabilities of TCI, including the liquidation preferences of any class or series of TCI Preferred Stock. Thereafter, holders of TCI Group Tracking Stock and holders of Liberty/Ventures Group Tracking Stock will be entitled to share in the funds of TCI remaining for distribution to its common shareholders in proportion to the aggregate market capitalization of TCI Group Tracking Stock to the aggregate market capitalization of Liberty/Ventures Group Tracking Stock, calculated based on the 20-trading day period ending on the trading day prior to the public announcement of the liquidation, dissolution or winding up. Holders of each series of TCI Group Tracking Stock, on the one hand, and Liberty/Ventures Group Tracking Stock, on the other, will share equally, on a share for share basis. Neither the consolidation or merger nor the sale, transfer or lease of all or substantially all of the assets of TCI will be deemed to be a "liquidation," "dissolution," or "winding up" of TCI.

For purposes of the Amended TCI Charter, "**market capitalization**" is defined as the product of (a) the market value of one share of the relevant class or series of TCI Common Stock, and (b) the number of shares of such class or series of TCI Common Stock outstanding. If the Liberty/Ventures Combination Proposal is approved, the market capitalization of the Liberty/Ventures Group Tracking Stock should reflect the combined market capitalizations of the TCI Ventures Group Tracking Stock and the Liberty Media Group Tracking Stock. However, no assurance can be made as to how the market will value the Liberty/Ventures Group Tracking Stock.

No holder of Liberty/Ventures Group Tracking Stock will have any special right to receive specific assets of the Liberty/Ventures Group in the case of any dissolution, liquidation or winding up of TCI.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

Determinations by the TCI Board

Any determinations made by the TCI Board under any provision described in this section "Description of Liberty/Ventures Group Tracking Stock and Effects on Existing TCI Common Stock" will be final and binding on all shareholders of TCI, except as may otherwise be required by law. Such a determination would not be binding if it were established that the determination was made in breach of a fiduciary duty of the TCI Board. TCI will prepare a statement of any such determination by the TCI Board respecting the fair market value of any properties, assets or securities and will file such statement with the Secretary of TCI.

No Preemptive Rights

The holders of TCI Group Tracking Stock and Liberty/Ventures Group Tracking Stock do not have any preemptive rights to subscribe for any additional shares of capital stock or other obligations convertible into or exercisable for shares of capital stock that may hereafter be issued by TCI.

Dividend Policy

TCI has never paid cash dividends on TCI Common Stock. The TCI Board does not currently intend to pay dividends on TCI Group Tracking Stock or Liberty/Ventures Group Tracking Stock. However, the TCI Board reserves the right to pay such dividends at any time and from time to time out of funds legally available therefor.

Any decision to pay dividends in the future will depend on the financial condition, results of operations and business requirements of TCI as a whole. Any future dividends on TCI Group Tracking Stock and Liberty/Ventures Group Tracking Stock would be paid on such basis as the TCI Board determines, subject to the provisions described under "—Dividends." In making its determination, the TCI Board expects to follow a policy under which it will consider, among other factors, the relative financial condition, results of operations and business requirements of the respective Groups. See TCI's Current Report on Form 8-K filed on January 7, 1999 for the consolidated financial information of TCI and the combined financial information of the Liberty/Ventures Group.

For information concerning dividends on the TCI Group Tracking Stock and the Liberty/Ventures Group Tracking Stock, see "—Dividends."

Stock Transfer Agent and Registrar

The Bank of New York will act as transfer agent and registrar for the shares of Liberty/Ventures Group Tracking Stock.

Inclusion in NASDAQ/NM

Liberty Media Group Series A Tracking Stock and Liberty Media Group Series B Tracking Stock trade on NASDAQ/NM under the symbols "LBTYA" and "LBTYB," respectively. If the Liberty/Ventures Combination Proposal is approved and implemented, it is expected that Liberty/Ventures Group Series A Tracking Stock and Liberty/Ventures Group Series B Tracking Stock will continue to trade on NASDAQ/NM under the symbols "LBTYA" and "LBTYB," respectively. TCI Group Series A Tracking Stock and TCI Group Series B Tracking Stock will continue to trade on NASDAQ/NM under the symbols "TCOMA" and "TCOMB," respectively.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

Existing Capital Stock

Each series of TCI Common Stock (except for TCI Ventures Group Series A Tracking Stock and TCI Ventures Group Series B Tracking Stock) and each class and series of TCI Preferred Stock currently outstanding will remain authorized following approval of the Liberty/Ventures Combination Proposal.

Description of TCI Capital Stock

The TCI Charter currently provides that TCI is authorized to issue 3,602,375,096 shares of capital stock, including:

- 3,550,000,000 shares of TCI Common Stock, of which
 - 1,750,000,000 shares are designated TCI Group Series A Tracking Stock,
 - 150,000,000 shares are designated TCI Group Series B Tracking Stock, 750,000,000 shares are designated Liberty Media Group Series A Tracking Stock,
 - 75,000,000 shares are designated Liberty Media Group Series B Tracking Stock,
 - 750,000,000 shares are designated TCI Ventures Group Series A Tracking Stock and
 - 75,000,000 shares are designated TCI Ventures Group Series B Tracking Stock, and
- 52,375,096 shares of TCI Preferred Stock, of which
 - 700,000 shares are designated Class A Preferred Stock, par value \$.01 per share (“**TCI Class A Preferred Stock**”),
 - 1,675,096 shares are designated TCI Class B Preferred Stock, and 50,000,000 shares (“**TCI Series Preferred Stock**”) were undesignated as to series and were available for issuance pursuant to resolutions adopted by the TCI Board.
- Of the original 50,000,000 shares of TCI Series Preferred Stock, 70,575 shares have been designated TCI Series C-TCI Group Preferred Stock,
 - 70,575 shares have been designated TCI Series C-Liberty Media Group Preferred Stock,
 - 500,000 shares have been designated Series F Preferred Stock,
 - 7,259,380 shares have been designated TCI Series G Preferred Stock, and
 - 7,259,380 shares have been designated TCI Series H Preferred Stock. All of the shares of TCI Class A Preferred Stock have previously been redeemed and retired and may not be reissued, thereby reducing the number of authorized shares of TCI Preferred Stock.

Common Stock

- As of December 31, 1998, the following shares had been issued and were outstanding:
 - 473,657,007 shares of TCI Group Series A Tracking Stock (net of treasury stock and shares held by subsidiaries of TCI),
 - 64,444,193 shares of TCI Group Series B Tracking Stock (net of treasury stock and shares held by subsidiaries of TCI),
 - 335,674,724 shares of Liberty Media Group Series A Tracking Stock (net of treasury stock and shares held by subsidiaries of TCI),
 - 31,698,895 shares of Liberty Media Group Series B Tracking Stock (net of treasury stock and shares held by subsidiaries of TCI),

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

—377,191,780 shares of TCI Ventures Group Series A Tracking Stock (net of treasury stock) and
—45,318,338 shares of TCI Ventures Group Series B Tracking Stock (net of treasury stock) had been issued and were outstanding;

- As of December 31, 1998, the following shares were held by TCI as treasury stock:
 - 11,362,365 shares of TCI Group Series A Tracking Stock,
 - 330,902 shares of TCI Group Series B Tracking Stock,
 - 25,561,455 shares of Liberty Media Group Series A Tracking Stock,
 - 82,074 shares of Liberty Media Group Series B Tracking Stock,
 - 61,450 shares of TCI Ventures Group Series A Tracking Stock and
 - 432,196 shares of TCI Ventures Group, Series B Tracking Stock, and
- As of December 31, 1998, the following shares were held by subsidiaries of TCI:
 - 125,728,816 shares of TCI Group Series A Tracking Stock,
 - 9,154,134 shares of TCI Group Series B Tracking Stock,
 - 6,654,367 shares of Liberty Media Group Series A Tracking Stock and
 - 3,417,187 shares of Liberty Media Group Series B Tracking Stock.
- As of December 31, 1998, the following shares were reserved for issuance upon conversion, exchange or exercise of outstanding convertible or exchangeable securities (other than TCI Group Series B Tracking Stock, Liberty Media Group Series B Tracking Stock and TCI Ventures Group Series B Tracking Stock, and other than TCI Series F Preferred Stock held by subsidiaries of TCI) and options (all as adjusted for stock dividends issued with respect to Liberty Media Group Tracking Stock and TCI Ventures Group Tracking Stock on February 6, 1998):
 - 99,871,669 shares of TCI Group Series A Tracking Stock,
 - 55,533,238 shares of Liberty Media Group Series A Tracking Stock,
 - 32,989,606 shares of TCI Ventures Group Series A Tracking Stock,
 - 2,800,000 shares of TCI Ventures Group Series B Tracking Stock.
- In addition, TCI has reserved a number of shares of TCI Group Series A Tracking Stock equal to the number of shares of Liberty Media Group Series B Tracking Stock outstanding and a number of shares of TCI Ventures Group Series A Tracking Stock equal to the number of shares of TCI Ventures Group Series B Tracking Stock outstanding and a number of shares of TCI Ventures Group Series A Tracking Stock equal to the number of shares of TCI Ventures Group Series B Tracking Stock outstanding, in either case for issuance upon conversion, at the option of the holder, of TCI Group Series B Tracking Stock, Liberty Media Group Series B Tracking Stock and TCI Ventures Group Series B Tracking Stock, respectively. Additionally, subsidiaries of TCI own shares of TCI Series F Preferred Stock, which are convertible into an aggregate of 416,528,172 shares of TCI Group Series A Tracking Stock.

No Preemptive Rights

Holders of TCI Group Tracking Stock, Liberty Media Group Tracking Stock and TCI Ventures Group Tracking Stock do not have any preemptive rights to subscribe for any additional shares of capital stock or other obligations convertible into or exercisable for shares of capital stock that may hereafter be issued by TCI.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

Preferred Stock

As of December 31, 1998, 1,552,490 shares of TCI Class B Preferred Stock (net of shares held by subsidiaries of TCI), 43,575 shares of TCI Series C-TCI Group Preferred Stock, 70,575 shares of TCI Series C-Liberty Media Group Preferred Stock, 278,307 shares of TCI Series F Preferred Stock, 6,444,244 shares of TCI Series G Preferred Stock and 6,564,794 shares of TCI Series H Preferred Stock were outstanding. All of the outstanding shares of TCI Series F Preferred Stock and 67,536 shares of TCI Class B Preferred Stock are held by subsidiaries of TCI. As of December 31, 1998, 35,061,783 shares of TCI Series Preferred Stock remain available for designation pursuant to the TCI Charter. The rights evidenced by the TCI Common Stock are subject to the prior preferences and rights of the TCI Preferred Stock.

Subject to antidilution adjustments, as of the date of this Proxy Statement/Prospectus, the liquidation preference of each class and series of TCI Preferred Stock is as follows:

- \$100 per share for TCI Class B Preferred Stock,
- \$2,208.35 per share for TCI Series C-TCI Group Preferred Stock,
- \$579.31 per share for Series C-Liberty Media Group Preferred Stock,
- \$.01 per share for the TCI Series F Preferred Stock,
- \$21.60 per share for TCI Series G Preferred Stock, and
- \$5.40 per share for TCI Series H Preferred Stock.

After receipt of their liquidation preference, holders of TCI Series F Preferred Stock are entitled to receive from the assets of TCI available for distribution to common stockholders an amount equal to the amount per share to be distributed to holders of TCI Group Series A Tracking Stock in such liquidation, multiplied by the number of shares of TCI Group Series A Tracking Stock into which their shares of TCI Series F Preferred Stock are then convertible.

As of the date of this Proxy Statement/Prospectus, each share of TCI Convertible Preferred Stock is convertible at the option of the holder into TCI Common Stock as indicated in the following table:

<u>Series</u>	<u>Conversion Ratio¹</u>
TCI Series C-TCI Group Preferred Stock	132.86 shares of TCI Group Series A Tracking Stock
TCI Series C-Liberty Media Group Preferred Stock	37.5 shares of Liberty Media Group Series A Tracking Stock ²
TCI Series F Preferred Stock	1,496.65 shares of TCI Group Series A Tracking Stock
TCI Series G Preferred Stock	1.190 shares of TCI Group Series A Tracking Stock
TCI Series H Preferred Stock	.2625 shares of Liberty Media Group Series A Tracking Stock ³

¹ In each case, subject to antidilution adjustments.

² As a result of a stock dividend, an additional share will be issued for every two shares received upon conversion.

³ As a result of stock dividends, (a) .2625 shares will be issued, plus (b) one additional share will be issued for every two shares received upon such conversion, plus (c) one additional share will be issued for every two shares held as a result of the calculations in (a) and (b).

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

TCI Series C-TCI Group Preferred Stock and TCI Series C-Liberty Media Group Preferred Stock are required to be redeemed by TCI at any time on or after August 8, 2001, in each case, at the option of the holder, in whole or in part (*provided* that the aggregate liquidation value of the shares to be redeemed is in excess of \$1 million). TCI Series G Preferred Stock and TCI Series H Preferred Stock are required to be redeemed by TCI out of legally available funds on February 1, 2016.

The TCI Class B Preferred Stock, TCI Series F Preferred Stock, TCI Series G Preferred Stock and TCI Series H Preferred Stock are each entitled to vote, on the basis of one vote per share, together with the TCI Common Stock and any class or series of TCI Preferred Stock entitled to vote thereon, in the general election of directors of TCI. The holders of shares of TCI Series C-TCI Group Preferred Stock and TCI Series C-Liberty Media Group Preferred Stock are entitled to vote such shares on an as-converted basis on all matters submitted to a vote of holders of the capital stock of TCI entitled to vote generally on the election of directors. Except as described above and as otherwise required by the DGCL or the TCI Charter, the currently outstanding TCI Preferred Stock has no voting rights. The terms of the various classes and series of TCI Preferred Stock include provisions that restrict the redemption or repurchase of and the payment of dividends or the making of distributions on TCI Common Stock if any dividends are in arrears on TCI Preferred Stock or if TCI has failed to redeem any shares of TCI Preferred Stock that it was required to redeem.

The foregoing description of certain terms of the outstanding classes and series of TCI Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the TCI Charter (including the Certificate of Designation with respect to each outstanding series of TCI Preferred Stock). For a more complete description of the existing terms of TCI Group Tracking Stock, Liberty Media Group Tracking Stock and TCI Ventures Group Tracking Stock, reference is made to TCI's Registration Statement on Form 8-A dated July 11, 1995, as amended by Amendment No. 1 dated September 29, 1995, Amendment No. 2 dated October 25, 1995, and Amendment No. 3 dated October 9, 1997 filed by TCI with the SEC under the Exchange Act, and to the TCI Charter.

Anti-Takeover Considerations

The DGCL, the TCI Charter and the TCI By-Laws contain provisions that may serve to discourage or make more difficult a change in control of TCI without the support of the TCI Board or without meeting various other conditions. The principal provisions of the DGCL, the TCI Charter and the TCI By-Laws with respect to the foregoing are outlined below.

The Delaware Business Combination Law, in general, prohibits a business combination between a corporation and an interested shareholder within three years of the time such shareholder became an interested shareholder, unless (a) prior to such time the board of directors of the corporation approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder, (b) upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, exclusive of shares owned by directors who are also officers and by certain employee stock plans or (c) at or subsequent to such time, the business combination is approved by the board of directors and authorized by the affirmative vote at a shareholders' meeting of at least 66⅔% of the outstanding voting stock which is not owned by the interested shareholder. The restrictions of the Delaware Business Combination Law do not apply to corporations that have elected, in the manner provided therein, not to be subject to the Delaware Business Combination Law or, with certain exceptions, which do not have a class of voting stock that is listed on a national securities exchange or authorized for quotation on NASDAQ/NM or held of record by more than 2,000 shareholders.

The TCI Charter does not contain any provision "opting out" of the application of the Delaware Business Combination Law and TCI has not taken any of the actions necessary for it to "opt out" of such provision. As

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

a result, the provisions of the Delaware Business Combination Law will remain applicable to transactions between TCI and any of its interested shareholders.

The TCI Charter also contains certain provisions which could make a change in control of TCI more difficult. For example, the TCI Charter requires, subject to the rights, if any, of any class or series of TCI Preferred Stock, the affirmative vote of 66⅔% of the total voting power of the outstanding shares of TCI Voting Securities, voting together as a single class, to approve (a) a merger or consolidation of TCI with, or into, another corporation, other than a merger or consolidation that does not require the consent of shareholders under the DGCL or a merger or consolidation that has been approved by 75% of the members of the TCI Board (in which case, in accordance with the DGCL, the affirmative vote of a majority of the total voting power of the outstanding TCI Voting Securities would, with certain exceptions, be required for approval), (b) the sale, lease or exchange of all or substantially all of the property and assets of TCI or (c) the dissolution of TCI. The TCI Charter also provides for a TCI Board of not less than three members, divided into three classes of approximately equal size, with each class to be elected for a three-year term at each annual meeting of shareholders. The exact number of directors, currently 10, is fixed by the TCI Board. The holders of TCI Voting Securities and of TCI Class B Preferred Stock, TCI Series G Preferred Stock and TCI Series H Preferred Stock, voting together as a single class, vote in elections for directors. (The holders of TCI Series F Preferred Stock are entitled to vote in the election of directors; however, the DGCL prohibits the voting of such shares because such shares are held by subsidiaries of TCI.) Shareholders of TCI do not have cumulative voting rights.

The TCI Charter requires the affirmative vote of 66⅔% of the total voting power of the outstanding shares of TCI Voting Securities, voting together as a single class, to approve any amendment, alteration or repeal of any provision of the TCI Charter or the addition or insertion of other provisions therein.

The TCI Charter and the TCI By-Laws provide that a special meeting of shareholders will be held at any time, subject to the rights of the holders of any class or series of TCI Preferred Stock, upon the call of the Secretary of TCI upon (a) the written request of the holders of not less than 66⅔% of the total voting power of the outstanding shares of TCI Voting Securities or (b) at the request of not less than 75% of the members of the TCI Board. Subject to the rights of any class or series of TCI Preferred Stock, the TCI By-Laws require that written notice of the intent to make a nomination at a meeting of shareholders must be received by the Secretary of TCI, at TCI's principal executive offices, not later than (a) with respect to an election of directors to be held at an annual meeting of shareholders, 90 days in advance of such meeting, and (b) with respect to an election of directors to be held at a special meeting of shareholders, the close of business on the seventh day following the day on which notice of such meeting is first given to shareholders. The notice must contain: (a) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the shareholder is a holder of record of TCI Voting Securities entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (d) such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had each proposed nominee been nominated, or intended to be nominated, by the TCI Board; and (e) the consent of each nominee to serve as a director of TCI if so elected. Any action to remove directors is required to be for "cause" (as defined in the TCI Charter) and be approved by the holders of 66⅔% of the total voting power of the outstanding shares entitled to vote in the election of directors.

TCI believes that the Liberty/Ventures Combination and the Increased Authorization, if approved by the shareholders, should not make a change in control of TCI more difficult. The cost to an acquiring person of obtaining majority control would depend on the aggregate market value and the terms of the outstanding shares. TCI cannot predict whether, to what extent or during what periods of time such cost may increase or decrease.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

Nevertheless, TCI's capital structure presents complexities and could in certain circumstances pose obstacles, financial and otherwise, to an acquiring person. For example, a potential acquiror would have to take into consideration that holders of different series of TCI Common Stock might be more or less receptive to the acquiror's proposal, that a tender offer would have to be structured so as to take into account different prices at which shares of the different series might be acquired, that a merger would require allocation of consideration among the different series of TCI Common Stock and the effects of actions TCI might take such as causing a conversion of the Liberty/Ventures Group Tracking Stock.

THE INCREASED AUTHORIZATION PROPOSAL

The shareholders of TCI are being asked to consider and approve the Increased Authorization Proposal. The Increased Authorization Proposal would increase the number of authorized shares of Liberty/Ventures Group Series A Tracking Stock to 2,500,000,000 and the number of authorized shares of Liberty/Ventures Group Series B Tracking Stock to 250,000,000. The Increased Authorization Proposal is conditioned upon approval of the Liberty/Ventures Combination Proposal by the requisite vote of TCI shareholders. If both the Increased Authorization Proposal and the Liberty/Ventures Combination Proposal are approved by the requisite vote of TCI shareholders, TCI's authorized shares of common stock would consist of 1,750,000,000 authorized shares of TCI Group Series A Tracking Stock, 150,000,000 authorized shares of TCI Group Series B Tracking Stock, 2,500,000,000 authorized shares of Liberty/Ventures Group Series A Tracking Stock and 250,000,000 authorized shares of Liberty/Ventures Group Series B Tracking Stock. Approval of the Increased Authorization Proposal will provide additional shares of capital stock to be available for issuance by TCI from time to time, as determined by the TCI Board, for any proper corporate purpose, including, but not limited to, effecting stock dividends or splits, raising capital, acquiring other companies or making investments, or providing compensation or benefits to employees. Assuming the Increased Authorization Proposal is approved, the number of shares of Liberty/Ventures Group Series A Tracking Stock and Liberty/Ventures Group Series B Tracking Stock authorized by the Amended TCI Charter will be the same as the number of shares of New Liberty Media Group Class A Tracking Stock and New Liberty Media Group Class B Tracking Stock to be authorized by the AT&T Charter.

The TCI Board would be authorized to reserve and, without further approval of the shareholders, issue the additional shares of Liberty Media Group Tracking Stock that would be authorized under the Increased Authorization Proposal at such time or times, to such persons and for such consideration as it may determine, except as may otherwise be required by applicable law, regulation or NASDAQ/NM requirements. NASDAQ/NM, on which Liberty Media Group Series A Tracking Stock and Liberty Media Group Series B Tracking Stock now trade, currently requires shareholder approval of the issuance of shares in certain instances, including transactions where the issuance could increase the number of outstanding shares by 20% or more.

Other than as described herein, TCI has no present understanding or agreement with respect to the issuance for any purpose of any of the additional shares that will be authorized for issuance if the Increased Authorization Proposal is approved. Although the TCI Board has no present intention of doing so, the additional shares of Liberty/Ventures Group Tracking Stock that would be authorized for issuance if the Increased Authorization Proposal is approved could be issued in one or more transactions (within limitations imposed by applicable law) that would make a takeover of TCI more difficult and, therefore, less likely, even though such a takeover might be economically beneficial to TCI and its shareholders. The TCI Board and TCI's management have no knowledge of any person or entity, other than AT&T, that intends to seek a controlling interest in, or to make a takeover proposal with respect to, TCI.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

BUSINESS OF THE LIBERTY MEDIA GROUP

Overview of the Liberty Media Group

The Liberty Media Group, through Liberty Media Corporation, and its attributed subsidiaries and affiliates, produces, acquires and distributes entertainment, sports and informational programming services, as well as electronic retailing services. Such programming is delivered via cable television and other distribution technologies to viewers in the United States and overseas. The Liberty Media Group's principal assets include interests in Encore Media Group LLC, Discovery Communications, Inc., Fox/Liberty regional and national sports networks, Time Warner Inc., QVC, Inc., and USA Networks, Inc. The Liberty Media Group also has interests in certain other domestic and international programming networks and businesses as indicated on the table below. This table sets forth the Liberty Media Group's attributed programming interests which are held directly and indirectly through partnerships, joint ventures, common stock investments and instruments convertible or exchangeable into common stock. Ownership percentages in the table are approximate, calculated as of November 30, 1998 and, where applicable and except as otherwise noted, assume conversion to common equity by the Liberty Media Group and, to the extent known by the Liberty Media Group, other holders. In some cases, the Liberty Media Group's interest may be subject to buy/sell procedures, repurchase rights or, under certain circumstances, dilution.

<u>Entity</u>	<u>Subscribers at 9/30/98 (000's)</u>	<u>Year Launched</u>	<u>Attributed Ownership % at 11/30/98</u>
ENTERTAINMENT AND INFORMATION			
Encore Media Group LLC			100%
Encore	12,205	1991	
MOVIEplex	8,239	1995	
Thematic Multiplex (aggregate units)	15,849	1994	
Love Stories			
Westerns			
Mystery			
Action			
True Stories			
WAM! Americas Kidz Network			
STARZ!	8,353	1994	
STARZ!2		1996	
BET Movies/STARZ!3		1997	88%
Viewer's Choice	111,911 ¹	1985	10%
ACTV, Inc. (NASDAQ: IATV)	N/A		8%
Bay TV	1,372	1994	49%
BET Holdings II, Inc.			35%
BET Cable Network	55,223	1980	
BET Action Pay-Per-View	10,661 ¹	1990	
BET on Jazz	4,000	1996	
Canales fi		² 1998	100%
Court TV	33,255	1991	42% ³
Discovery Communications, Inc.			49%
Discovery Channel	79,057	1985	
The Learning Channel	66,798	1980	
Animal Planet	42,767	1996	40%
Animal Planet Asia	400	1998	25%
Animal Planet Europe	5,138	1998	
Animal Planet Latin America	2,750	1998	25%
Discovery Science	2	1996	
Discovery Civilization	2	1996	

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

<u>Entity</u>	<u>Subscribers at 9/30/98 (000's)</u>	<u>Year Launched</u>	<u>Attributed Ownership % at 11/30/98</u>
ENTERTAINMENT AND INFORMATION (Continued)			
Discovery Travel & Living	2	1996	
Discovery Kids	2	1996	
Discovery Health	2	1998	
Discovery Wings	2	1998	
Discovery Asia	23,234	1994	
Discovery India	9,500	1996	
Discovery Japan	687	1996	29% ⁴
Discovery Europe	16,631	1989	
Discovery Germany	204	1996	25%
Discovery Italy/Africa	645	1996	
Discovery Latin America	9,932	1996	
Discovery Latin America Kids Network	5,511	1996	
Travel Channel	18,763	1987	35%
People & Arts (Latin America)	7,241	1995	25%
Discovery Channel Online	Online	1995	
E! Entertainment Television	51,942	1990	10%
Fox Kids Worldwide, Inc.			⁵
Health TV	20	1997	100%
Kaleidoscope	7,983	1995	12%
Recovery Net	Online	1997	50%
International Channel	7,417	1990	90%
MacNeil/Lehrer Productions	N/A	N/A	67%
Odyssey	30,135	1988	33%
TCI Music, Inc. (NASDAQ: TUNE/TUNEP)			86%
Digital Music Express	3,521 ⁶	1991	
THE BOX	29,351	1985	
THE BOX SET	144	1997	
THE BOX—International Services	24,245		
SonicNet	Online	1997	
Addicted to Noise	Online	1997	
Streamland	Online	1997	
Telemundo Network	7		50%
Telemundo Station Group	8		25%
Time Warner Inc. (NYSE: TWX)			9%
Time Warner/Turner Programming Services ⁹			
USA Networks, Inc. (NASDAQ/NM: USAI)			21% ¹⁰
HSN	67,618 ¹¹	1985	
America's Store	10,255 ¹¹	1986	
ISN	Online	1995	
HSN en Espanol	2,500	1998	11%
HOT (Germany)	18,000	1995	9%
Shop Channel (Japan)	2,400	1996	11% ¹²
SciFi Channel	50,951	1992	
USA Network	74,624	1980	
Ticketmaster	N/A		
Studios USA	N/A		
USA Broadcasting	27,500 ¹³	1986	
Superstar/Netlink Group LLC	1,198	N/A	40% ¹⁴

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

<u>Entity</u>	<u>Subscribers at 9/30/98 (000's)</u>	<u>Year Launched</u>	<u>Attributed Ownership % at 11/30/98</u>
ENTERTAINMENT AND INFORMATION (Continued)			
Netlink USA	5,016 ¹⁵	N/A	100% ¹⁴
United Video Satellite Group, Inc. (NASDAQ/NM: UVSGA)	N/A		17% ^{14,16}
Prevue Channel	49,211	1988	
Sneak Prevue	34,983	1991	12%
ELECTRONIC RETAILING			
QVC, Inc.			43%
QVC Network	63,444	1986	
QVC-The Shopping Channel (UK)	6,917	1993	
QVC-Germany	11,464	1996	
iQVC	Online	1995	
SPORTS SERVICES			
Regional Sports Networks			
Fox Sports Arizona	970	1996	50%
Fox Sports Bay Area	2,758	1990	35%
Fox Sports Chicago	3,054	1984	35%
Fox Sports Cincinnati	2,387	1989	20%
Fox Sports Detroit	2,329	1984	50%
Fox Sports Intermountain West	632	1990	50%
Fox Sports Midwest	1,529	1989	50%
Fox Sports New England	2,934	1984	20%
Fox Sports New York	4,286	1982	19%
Fox Sports Northwest	2,194	1988	50%
Fox Sports Ohio	2,031	1989	20%
Fox Sports Pittsburgh	2,019	1985	50%
Fox Sports Rocky Mountain	2,133	1988	50%
Fox Sports South	6,251	1990	44%
Fox Sports Southwest	5,209	1983	50%
Fox Sports West	4,098	1985	50%
Fox Sports West 2	2,250	1997	50%
Home Team Sports	3,994	1984	17%
MSG Network	6,962	1969	19%
SportsChannel Florida	2,921	1993	6%
Sunshine Network	3,852	1988	27%
Metro Learning	1,542	1998	20%
Metro Guide	1,542	1998	20%
Metro Traffic	1,542	1998	20%
National Sports Networks			
FiT TV	8,300	1993	45%
Fox Sports Américas (US)	2,081	1993	29% ¹⁷
Fox Sports Direct	5,240	1989	50%
Fox Sports Net	62,300	1996	25%
FX	36,900	1994	50%
Outdoor Life	13,803	1995	17%
Speedvision	15,763	1995	17%

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

SPORTS SERVICES (Continued)

<u>Entity</u>	<u>Subscribers at 9/30/98 (000's)</u>	<u>Year Launched</u>	<u>Attributed Ownership % at 11/30/98</u>
International Sports Programming			
Fox Sports Américas (Latin America)	8,064	1995	29% ¹⁷
Fox Sports World	1,176	1997	29% ¹⁷
STAR TV ¹⁸	220,000 ¹⁸		4% ¹⁹
Torneos y Competencias, SA. (Argentina)	N/A		23% ¹⁹
J-Sports (Japan)	N/A	1998	39% ²⁰
Other			
New York Knicks			19%
New York Rangers			19%
Madison Square Garden Arena			19%
Radio City Music Hall			19%
Pepsi Center			7%
Colorado Avalanche			7% ²¹
Denver Nuggets			7% ²¹
Staples Center			20%

INTERNATIONAL PROGRAMMING, CABLE & TELEPHONY

TINTA	N/A	N/A	15% ²²
-------------	-----	-----	-------------------

- (1) Number of subscribers to whom service is available.
- (2) Digital services. Subscriber information not currently available.
- (3) The Liberty Media Group and Time Warner have the right to purchase the National Broadcasting Corporation's ("NBC") interest in Court TV and NBC has the right to require the Liberty Media Group and Time Warner to purchase NBC's interest in Court TV. If either of these rights is exercised, the Liberty Media Group's ownership will increase to 50%.
- (4) Jupiter Programming Co., Ltd. ("Jupiter Programming"), of which TINTA owns 50%, has a 50% interest in Discovery Japan.
- (5) Liberty's interest consists of shares of 30-year 9% preferred stock which have a stated aggregate value of \$345 million and are not convertible into common stock.
- (6) Includes residential and commercial addressable digital cable and direct broadcast satellite subscribers.
- (7) Telemundo Network is a 24-hour broadcast network serving 61 markets in the United States, including the 37 largest Hispanic markets.
- (8) Telemundo Station Group, Inc. owns and operates seven full power broadcast stations serving the seven largest Hispanic markets in the United States.
- (9) Includes CNN, Cartoon Network, Headline News, TNT, Turner Classic Movies, TBS Superstation, CNNfn, CNN/SI, CNN International, TNT Latin America, Cartoon Network Latin America, TNT & Cartoon Network Europe, TNT and Cartoon Network Asia, HBO, Cinemax, Comedy Central, HBO Ole, HBO Asia, TVKO and WB Television Network. Following consummation of the Time Warner/Turner Broadcasting System, Inc. ("TBS") merger (the "TBS/Time Warner Merger") on October 10, 1996, the Liberty Media Group is no longer reporting subscriber numbers for these programming services.
- (10) The Liberty Media Group owns direct and indirect interests in various USA Networks, Inc. ("USAi") and Home Shopping Network, Inc. ("HSN") securities which may be exchanged for USAi common stock. Assuming the exchange of such securities and the exchange of certain securities owned by Universal Studios, Inc. and certain of its affiliates for USAi common stock, the Liberty Media Group would own approximately 21% of USAi.
- (11) Includes broadcast households and cable subscribers.
- (12) Jupiter Programming holds a 70% interest in Shop Channel.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

- (13) Number of television households in areas of USA Broadcasting's owned and operated broadcast stations.
- (14) The Liberty Media Group has agreed to sell its interest in Superstar/Netlink LLC Group ("SNG") and Netlink USA ("Netlink") to UVSG for 12,750,000 shares of UVSG Class B common stock. If consummated, this transaction would increase the aggregate number of UVSG shares owned by the Liberty Media Group to approximately 25 million and increase the Liberty Media Group's equity interest in UVSG to approximately 29%.
- (15) Aggregate number of units. Netlink USA uplinks six broadcast stations.
- (16) The TCI Ventures Group currently owns approximately a 57% equity interest and an 89% voting interest in UVSG.
- (17) Held by a 50/50 joint venture between News Corp. and a 50/50 joint venture between the Liberty Media Group and TINTA ("Liberty/TINTA").
- (18) STAR TV is a satellite-delivered television platform. Programming services on STAR TV'S platform include STAR Sports, STAR Plus, Phoenix Chinese Channel, STAR Movies and ZEE TV, among others. STAR TV reaches approximately 220 million people in Asia, India and the Middle East.
- (19) Held by Liberty/TINTA. The ownership interest in the table reflects only the attributed interest of the Liberty Media Group.
- (20) The remaining interest is held by Jupiter Programming.
- (21) Interests represent rights to receive payments equal to approximately 7% of distributions by, and approximately 7% of proceeds from the sale of, the entities owning the Colorado Avalanche and the Denver Nuggets, rather than ownership interests in those entities.
- (22) The remaining interest in TINTA is attributed to the TCI Ventures Group.

Cable television networks distribute their programming via cable and other distribution technologies, including direct-to-home satellite ("DTH") companies, broadcast television stations, satellite master antenna television ("SMATV"), multi-channel multi-point distribution systems ("MMDS"), and the Internet. Both basic cable networks and pay television programming services generally enter into separate multi-year agreements, known as "affiliation agreements," with operators of cable television systems, SMATV, MMDS and DTH distribution companies that have agreed to carry such networks. With the proliferation of new cable networks and services, competition for cable carriage on the limited available channel capacity has intensified. Basic cable networks generate their revenue principally from the sale of advertising time on the networks and from receipt of monthly per subscriber fees paid by cable operators, DTH distribution companies and other customers, who have contracted to receive and distribute such networks. Pay-TV networks do not sell advertising and generate their revenue principally from monthly subscriber fees.

Relationship with the TCI Group. Most of the networks affiliated with the Liberty Media Group have entered into affiliation agreements with Satellite Services, Inc. ("SSI") a company within the TCI Group. SSI purchases programming services from programming suppliers and then makes such services available to cable television systems owned by or affiliated with the TCI Group ("SSI Affiliates"). Customers served by SSI Affiliates ("SSI Subscribers") represented approximately 23% of U.S. households which received cable or satellite delivered programming at December 31, 1997 (based on estimates by Paul Kagan Associates, Inc. of cable, DTH and MMDS subscribers). In some cases, particularly regional networks, such as Bay TV and some of the regional sports networks, where an SSI Affiliate is the predominant cable provider in the region, the ratio of SSI Subscribers to overall subscribers to such networks significantly exceeds 23%. For example, at December 31, 1997, approximately 83.4% of the subscribers of Bay TV, a regional network for the San Francisco region, were SSI Affiliates. The following details each network (other than regional networks and regional sports networks) which had a number of SSI Subscribers, as a percentage of total subscribers, in excess of 23% as of December 31, 1997: FX (38.2%), Encore Media Group LLC ("EMG") (36.2%), Animal Planet (32.6%), International Channel (26.0%) and Odyssey (25.3%). Each of EMG and TCI Music, Inc. ("TCI Music") has entered into long term, fixed rate affiliation agreements with the TCI Group pursuant to which the TCI Group pays monthly fixed amounts in exchange for unlimited access to certain programming services of such companies.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

Description of the Liberty Media Group

The principal assets attributed to the Liberty Media Group are described in greater detail below.

Programming Services

Encore Media Group LLC. EMG provides 25 channels of cable and satellite-delivered premium movie services, including Encore, which predominantly airs hit movies from the '60's, '70's and '80's as well as first run movies; six thematic multiplexed channels—*Love Stories*, *Westerns*, *Mystery*, *Action*, *True Stories* and *WAM!*, a 24-hour youth oriented education and entertainment service; *STARZ!* a first-run movie service; *STARZ!2*, offering “prime time movies all the time,” and *BET Movies/STARZ!3* featuring African American actors and directors. EMG also offers *MOVIEplex*, a “theme by day” channel featuring a different *Encore* or thematic multiplex channel each day, on a weekly rotation.

Discovery Communications, Inc. (“Discovery”) Discovery is the largest originator of documentary, non-fiction programming in the world. Discovery operates several business units. The first of these, Discovery Networks, US, consists of four basic cable networks: *Discovery Channel*, *The Learning Channel*, *Animal Planet*, and the recently acquired *Travel Channel*, and six networks created for the digital platform: *Discovery Science*, *Discovery Civilization*, *Discovery Home & Leisure*, *Discovery Kids*, *Discovery Health* and *Discovery Wings*. *Discovery Channel* and *The Learning Channel* provide nature, science, technology and other non-fiction programming, and are distributed in virtually all U.S. pay-television homes. *Animal Planet* offers a range of animal programming, including children's programs, game shows, feature films, wildlife documentaries and how-to pet shows.

Discovery Networks International distributes various Discovery networks in Latin America, Europe, Asia and Africa. Discovery's international networks serve more than 66 million customers in more than 50 countries outside the United States. Discovery Retail operates over 115 retail stores in the United States and the United Kingdom. These include The Nature Company stores, Discovery Channel Stores and one Discovery Channel Destination flagship store. Discovery also markets and distributes *BBC America*, which launched in March 1998. Discovery recently purchased *Eye on People*, a 24-hour cable channel focused on people and personalities, from CBS Corporation.

Time Warner Inc. Time Warner is the world's leading media company, and has interests in four fundamental areas of business: Entertainment, consisting primarily of interests in filmed entertainment, television production, television broadcasting, recorded music and music publishing; Cable Networks, consisting principally of interests in cable television programming; Publishing, consisting principally of interests in magazine publishing, book publishing and direct marketing; and Cable, consisting principally of interests in cable television systems. Time Warner is a holding company which derives its operating income and cash flow from its investments in its direct subsidiaries, Time Warner Companies, Inc. and TBS.

In connection with the TBS/Time Warner Merger in which the Liberty Media Group received Time Warner common shares, Time Warner, TBS, TCI and the Liberty Media Group entered into an Agreement Containing Consent Order with the FTC, dated August 14, 1996, as amended on September 4, 1996 (the “**FTC Consent Decree**”). Pursuant to the FTC Consent Decree, among other things, the Liberty Media Group agreed to exchange its shares of Time Warner common stock for shares of a separate series of Time Warner common stock with limited voting rights designated as Series LMCN-V Common Stock (the “**TW Exchange Stock**”). The TW Exchange Stock entitles the holder to one one-hundredth (1/100th) of a vote for each share with respect to the election of directors. The Liberty Media Group holds 57 million shares of the TW Exchange Stock, which represent less than 1% of the voting power of Time Warner's outstanding common stock.

ACTV, Inc. On September 21, 1998 the Liberty Media Group purchased a 7.5% interest in ACTV, Inc., a company which produces tools for the creation of programming that allows viewer participation for both television and internet platforms.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

BET Holdings II, Inc. BET's primary operations are conducted by *BET Cable Network*, an advertiser-supported basic cable network which provides a broad mix of music videos, off-network situation comedies and original programming targeted to the interests and concerns of African-American viewers. BET also operates *BET on Jazz* featuring jazz concerts and music videos, as well as *BET Action Pay-Per-View*, which distributes films produced by major studios and independent film companies. In addition, BET has interests in magazine and book publishing, as well as motion picture production.

Court TV. *Court TV* is a basic cable network which provides live and/or tape delayed coverage and analysis of selected criminal and civil legal proceedings. The Liberty Media Group and Time Warner have the right to purchase NBC's remaining interest in *Court TV*, and NBC has the right to require the Liberty Media Group and Time Warner to purchase NBC's remaining interest in *Court TV*, which would increase each remaining partner's interest to 50%.

TCI Music, Inc. TCI Music is a diversified music entertainment company delivering audio and video music services to commercial and residential customers via television, the Internet and other distribution technologies. TCI Music's principal services include *THE BOX*, an interactive all music video channel; *Digital Music Express*, a premium digital audio music service; and *SonicNet*, a leading music site on the Internet.

E! Entertainment Television. *E! Entertainment Television* is a 24-hour basic cable network devoted to the world of celebrities and entertainment. The network's programming mix includes entertainment news reports, original programs, and exclusive live coverage of major awards shows and celebrity events.

International Cable Channels Partnership, Ltd. ICCP distributes and markets ethnic programming in the United States. Its basic network, *International Channel*, provides news, sports, music, movies and general entertainment programming from around the world in more than 20 different languages. ICCP also operates *Premium Networks*, a digital tier of single-language channels, such as Chinese and French. In addition, ICCP markets and distributes *Canales n*, a newly launched digital tier of Spanish-language cable television channels designed to serve the growing Latino market in the United States.

Odyssey. Odyssey, a national basic cable network, provides viewers with non-denominational religious and values-based entertainment and informational programming. Hallmark Entertainment and The Jim Henson Company, both leaders in the production of family entertainment, recently invested in Odyssey, reducing the Liberty Media Group's ownership interest from 49% to 32.5%. Both Hallmark Entertainment and The Jim Henson Company will make their programming available to Odyssey.

MacNeill/Lehrer Productions. MacNeil/Lehrer Productions is the primary producer of the News Hour on the Public Broadcasting System and a producer of other high-quality documentary and public affairs programming.

Superstar/Netlink Group LLC. SNG is a joint venture owned 40% by the Liberty Media Group, 40% by UVSG and 20% by Turner-Vision, Inc. SNG markets packages of satellite entertainment programming to C-Band satellite dish owners in North America.

Netlink USA. Netlink uplinks the signals of six broadcast television stations to C-Band packagers such as SNG, in the United States and Canada and to cable systems in the United States. The C-Band packagers and cable companies pay Netlink a fee for the right to sell these services to their customers.

United Video Satellite Group, Inc. UVSG, which is currently controlled by TCI, provides satellite-delivered video, audio, data and program promotion services to cable television systems, satellite dish owners, radio stations and private network users primarily throughout North America. UVSG operates in five business segments: program promotion and guide services, DTH services, satellite distribution of video services, software development and systems integration services and satellite transmission services for private networks.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

In February 1998, the Liberty Media Group and UVSG announced an agreement in principle to transfer Netlink and the Liberty Media Group's interest in SNG to UVSG (the "Netlink Transaction") in exchange for 12,750,000 shares of UVSG Class B common stock.

UVSG has also announced an agreement with The News Corporation ("News Corp.") to acquire from News Corp. certain assets, the principal businesses of which are publishing *TV Guide* magazine and other print and electronic television programming guides and distributing through the Internet an entertainment service known as *TV Guide Entertainment Network*, which includes an electronic television programming guide in exchange for shares of UVSG common stock (the "TV Guide Acquisition").

Assuming consummation of the Netlink Transaction and the TV Guide Acquisition, TCI would own approximately 44% of the equity and 48% of the voting power of UVSG (through the Liberty Media Group and the TCI Ventures Group). The Netlink Transaction and the TV Guide Acquisition are both subject to shareholder and regulatory approval.

USA Networks, Inc. USAi, formerly known as HSN, Inc., is a diversified media and electronic commerce company that is engaged in five principal areas of business: HSN, which primarily engages in the electronic retailing business; Networks and television production, which operates the *USA Network*, a general entertainment basic cable television network, and *The Sci-Fi Channel*, which features classic science fiction movies, science fact, fiction, movies and original production; Studios USA, which produces and distributes television programming; USA Broadcasting, which owns and operates a group of UHF and low power television stations; Ticketmaster Group, Inc., which is the leading provider of automated ticketing services in the United States; and Internet Services.

The Liberty Media Group's interest in USAi consists of shares of USAi common stock held by Liberty Media Group and its subsidiaries, shares of USAi common stock held by certain entities in which Liberty Media Group has an equity interest but only limited voting rights, and securities of certain subsidiaries of USAi which are exchangeable for shares of USAi common stock. In general, until the occurrence of certain events and with the exception of certain negative controls, Mr. Barry Diller has voting power over the Liberty Media Group's interest in USAi.

Fox Sports Networks. In April 1996, the Liberty Media Group and News Corp., formed Fox/Liberty Networks ("Fox Sports"), a joint venture to hold the Liberty Media Group's national and regional sports networks and the *FX* network. In December 1997, Fox Sports completed a series of transactions (the "Rainbow Transactions") with Rainbow Media Sports Holdings, Inc. ("Rainbow") in which Fox Sports acquired a 40% interest in Rainbow's eight regional sports networks, the Madison Square Garden entertainment complex, Radio City Productions LLC, the New York Rangers, a professional hockey team, and the New York Knicks, a professional basketball team. As of November 30, 1998, Fox Sports owned interests in, or was affiliated with, 25 regional sports networks, 17 of which operate under the Fox Sports name. These regional sports networks have rights to telecast live games of professional sports teams in the National Basketball Association, the National Hockey League and/or Major League Baseball, and numerous collegiate sports teams.

As part of the Rainbow Transaction, Fox Sports and Rainbow established a 50-50 partnership to operate *Fox Sports Net*, which provides affiliated regional sports networks, 24 hours per day, with national sports programming to supplement their regional sports offerings. *Fox Sports Net* features live and replayed sporting events, as well as other original sports programming, including a national sports news program, *Fox Sports News*. Fox Sports and Rainbow also established a national advertising representative firm to sell advertising time during both the regional affiliates' local programming and national network programming provided by *Fox Sports Net*.

Fox Sports also operates several national networks in addition to *Fox Sports Net*, including *FX*, a general entertainment network which also carries various sporting events; *FiT TV*, which features health and fitness

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

programming; *Speedvision*, which provides coverage of the automotive, motorcycle, aviation and marine industries; and *Outdoor Life Network*, which is devoted to adventure, wildlife and environmental issues and the outdoor lifestyle.

At the international level, the Liberty Media Group and TINTA formed a joint venture with News Corp. to hold their international sports interests. These include *Fox Sports Américas*, a Spanish language sports network, distributed in the United States and in Latin America, and STAR TV, a satellite-delivered programming platform available to 220 million viewers in Asia, India and the Middle East. Outside of the venture with News Corp., Liberty and TINTA own an interest in J-Sports, a sports network in Japan featuring coverage of SUMO wrestling, soccer, baseball and other international sporting events; and Torneos y Competencias S.A. ("TyC"), Argentina's dominant sports programming service. TyC also owns an interest in Canal 9, a general entertainment broadcast channel in Buenos Aires, Argentina which has become an international superchannel, providing programming to the United States and, via cable, to outlying areas of Argentina.

The sports programming networks typically enter into rights agreements with one or more professional sports teams in their regions and acquire rights to collegiate and other sporting events through arrangements with regional conferences, individual schools, programming syndicators and event organizers. Fox Sports also acquires national rights agreements with professional leagues, such as Major League Baseball, and with regional collegiate conferences. Programming acquired under national rights agreements may be exhibited on *Fox Sports Net* and *FX* in addition to the regional sports networks. The duration of the rights agreements with the professional teams ranges from one to 14 years. The rights agreements for collegiate sporting events typically range from two to 10 years. Certain factors such as player strikes, bankruptcy of leagues or individual teams or team relocations may have an adverse effect on the revenue of the regional sports networks.

Telemundo. On August 12, 1998, the Liberty Media Group, in a 50-50 partnership with Sony Pictures Entertainment, acquired 100% of the Telemundo network and approximately 50% of the Telemundo station group. The Telemundo network is a broadcast network which provides 24-hour Hispanic language programming to 61 markets in the United States, including the 37 largest Hispanic markets, and reaches approximately 85% of all Hispanic households in the United States. The Telemundo station group owns and operates eight full power UHF stations and 15 low power television stations serving some of the largest Hispanic markets in the United States and Puerto Rico. While the Liberty Media Group has approximately a 25% interest in the Telemundo station group, its voting power is less than 5% to meet certain regulatory requirements.

Electronic Retailing. The Liberty Media Group has significant investments in the two largest home shopping companies in the United States—QVC and HSN. These companies market and sell a wide variety of consumer products and services primarily by means of televised shopping programs on the QVC and HSN networks and via the Internet through *iQVC* and *Internet Shopping Network*. QVC also operates shopping networks in the United Kingdom and Germany, while HSN operates home shopping networks in Japan and Germany.

TINTA. On November 19, 1998 TINTA completed its merger with a wholly owned subsidiary of TCI and, as a result, TCI now owns 100% of TINTA. Prior to the TINTA merger the TCI Ventures Group owned approximately 83% of TINTA's Series A Common Stock and all of TINTA's Series B Common Stock. Until the completion of the Liberty/Ventures Combination, approximately 85% of TINTA will be attributed to the TCI Ventures Group and 15% will be attributed to the Liberty Media Group. See "Business of the TCI Ventures Group—Description of the TCI Ventures Group" for more details on the business of TINTA.

Regulation-Programming Companies

The FCC regulates the providers of satellite communications services and facilities for the transmission of programming services, the cable television systems that carry such services, and, to some extent, the

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

availability of the programming services themselves through its regulation of program licensing. Cable television systems are also regulated by municipalities or other state and local government authorities. Continued rate regulation or other franchise conditions could place downward pressure on subscriber fees earned by the programming companies described above in which Liberty Media Group has interests (the “**Programming Companies**”) and regulatory carriage requirements could adversely affect the number of channels available to carry the Programming Companies.

Regulation of Program Licensing. The Cable Television Consumer Protection and Competition Act of 1992, (the “**1992 Cable Act**”) directed the FCC to promulgate regulations regarding the sale and acquisition of cable programming between multi-channel video programming distributors (including cable operators) and satellite-delivered programming services in which a cable operator has an attributable interest. The legislation and the implementing regulations adopted by the FCC preclude virtually all exclusive programming contracts between cable operators and satellite programmers affiliated with any cable operator (unless the FCC first determines the contract serves the public interest) and generally prohibit a cable operator that has an attributable interest in a satellite programmer from improperly influencing the terms and conditions of sale to unaffiliated multi-channel video programming distributors. Further, the 1992 Cable Act requires that such affiliated programmers make their programming services available to cable operators and competing multi-channel video programming distributors such as MMDS and direct broadcast satellite distributors on terms and conditions that do not unfairly discriminate among such distributors. The Telecommunications Act has extended these rules to programming services in which telephone companies and other common carriers have attributable ownership interests. The FCC recently revised its program licensing rules, by implementing a damages remedy in situations where the defendant knowingly violates the regulations and by establishing a timeline for the resolution of such complaints, among other things.

Regulation of Carriage of Programming. Under the Telecommunications Act, the FCC has adopted regulations prohibiting cable operators from requiring a financial interest in a programming service as a condition to carriage of such service, coercing exclusive rights in a programming service or favoring affiliated programmers so as to restrain unreasonably the ability of unaffiliated programmers to compete.

Regulation of Ownership. The 1992 Cable Act required the FCC, among other things, (a) to prescribe rules and regulations establishing reasonable limits on the number of channels on a cable system that will be allowed to carry programming in which the owner of such cable system has an attributable interest and (b) to consider the necessity and appropriateness of imposing limitations on the degree to which multi-channel video programming distributors (including cable operators) may engage in the creation or production of video programming. In 1993, the FCC adopted regulations limiting carriage by a cable operator of national programming services in which that operator holds an attributable interest to 40% of the first 75 activated channels on each of the cable operator’s systems. The rules provide for the use of two additional channels or a 45% limit, whichever is greater, provided that the additional channels carry minority-controlled programming services. The regulations also grandfather existing carriage arrangements that exceed the channel limits, but require new channel capacity to be devoted to unaffiliated programming services until the system achieves compliance with the regulations. These channel occupancy limits apply only up to 75 activated channels on the cable system, and the rules do not apply to local or regional programming services. These rules may limit carriage of the Programming Companies on certain systems of affiliated cable operators. In the same rulemaking, the FCC concluded that additional restrictions on the ability of multi-channel distributors to engage in the creation or production of video programming were then unwarranted.

Regulation of Carriage of Broadcast Stations. The 1992 Cable Act granted broadcasters a choice of must carry rights or retransmission consent rights. The rules adopted by the FCC generally provided for mandatory carriage by cable systems of all local full-power commercial television broadcast signals selecting must carry rights and, depending on a cable system’s channel capacity, non-commercial television broadcast signals. Such

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

statutorily mandated carriage of broadcast stations coupled with the provisions of the Cable Communications Policy Act of 1984, which require cable television systems with 36 or more "activated" channels to reserve a percentage of such channels for commercial use by unaffiliated third parties and permit franchise authorities to require the cable operator to provide channel capacity, equipment and facilities for public, educational and government access channels access, could adversely affect some or substantially all of the Programming Companies by limiting the carriage of such services in cable systems with limited channel capacity. The FCC recently initiated a proceeding asking to what extent cable operators must carry all digital signals transmitted by broadcasters. The imposition of such additional must carry regulation, in conjunction with the current limited cable system channel capacity, would make it likely that cable operators will be forced to drop cable programming services, which may have an adverse impact on the Programming Companies' programming interests.

Closed Captioning Regulation. The 1992 Cable Act also required the FCC to establish rules and an implementation schedule to ensure that video programming is fully accessible to the hearing impaired through closed captioning. The rules adopted by the FCC will require substantial closed captioning over an eight to 10 year phase-in period with only limited exemptions. As a result, the Programming Companies are expected to incur significant additional costs for closed captioning.

Copyright Regulation. Under regulations adopted by the Copyright Office, satellite carriers such as Netlink are not "cable systems" within the meaning of the Copyright Revision Act of 1976 as amended. Accordingly, satellite carriers are not permitted to provide superstation or network station broadcast signals to home satellite dish owners under the separate compulsory license extended to cable systems. Instead, Congress granted a statutory copyright license to satellite carriers retransmitting the broadcast signals of "superstations," such as KWGN and WGN, and of network stations to the public for private home viewing under the Satellite Home Viewer Act of 1994 (the "SHV Act"), which license is scheduled to expire on December 31, 1999. If the license granted under the SHV Act is not further extended, satellite carriers will be required to negotiate private licenses for the retransmission of copyright material to home satellite dish owners after 1999. Satellite carriers may only distribute the signals of network broadcast stations, as distinguished from superstations, to "unserved households" that are outside the Grade B contours of a primary station affiliated with such network. Under the SHV Act, satellite carriers must pay a monthly fee for each subscriber. To the extent that satellite carriers transmit superstation or network station signals to cable operators, such cable operators pay the copyright fee under the separate compulsory license.

Satellites and Uplink. In general, authorization from the FCC must be obtained for the construction and operation of a communications satellite. The FCC authorizes utilization of satellite orbital slots assigned to the United States by the World Administrative Radio Conference. Such slots are finite in number, thus limiting the number of carriers that can provide satellite transponders and the number of transponders available for transmission of programming services. At present, however, there are numerous competing satellite service providers that make transponders available for video services to the cable industry.

Proposed Changes in Regulation. The regulation of programming services, cable television systems, satellite carriers and television stations is subject to the political process and has been in constant flux over the past decade. Further material changes in the law and regulatory requirements must be anticipated and there can be no assurance that the Liberty Media Group's business will not be affected adversely by future legislation, new regulation or deregulation.

Competition-Programming Companies

The business of distributing programming for cable television is highly competitive. The Programming Companies directly compete with other programming services for distribution on a limited number of cable

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

television channels and on other distribution media. In addition to competition for cable distribution, viewers and advertisers, the Programming Companies also compete, to varying degrees, for programming.

SNG competes with other C-Band program packagers, some of which are affiliated with well-known, large programmers and cable television system operators. Because a significant portion of sales are generated through C-Band home satellite dish dealers, SNG also competes for dealer relationships on the basis of commission rates and quality of service offered to the dealer and its customers.

Netlink faces competition from multiple satellite carriers which uplink other superstation and network signals, using C-Band (analog) and Ku-Band (digital) frequencies.

HSN and QVC operate in direct competition with businesses which are engaged in retail merchandising.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

BUSINESS OF THE TCI VENTURES GROUP

The assets attributed to the TCI Ventures Group, a new business unit created in 1997, include interests in Internet services; satellite communications; wired and wireless domestic telephony; international cable, telephony and programming; digital services; and other technology investments, listed in the table below. Such table lists the assets attributed to the TCI Ventures Group which are held directly and indirectly through partnerships, joint ventures, common stock investments and instruments convertible or exchangeable into common stock. In some cases, the TCI Ventures Group's interest may be subject to buy-sell procedures, repurchase rights, performance guarantees and other restrictions. Ownership percentages in the table are approximate, calculated as of November 30, 1998:

<u>Company</u>	<u>Attributed Ownership¹</u>	<u>Business</u>
Internet Services		
At Home Corporation (NASDAQ/NM: ATHM)	39% equity 72% voting	High-speed multimedia Internet services
Sportsline USA, Inc. (NASDAQ/NM: SPLN)	3%	Internet provider of branded interactive sports information, programming and merchandise
iVillage, Inc.	4%	Developer and Internet and on-line provider of branded communications and information services for adult women
KPCB Java Fund, L.P.	5%	Investor in Java application development
Diversified Satellite Communications		
United Video Satellite Group, Inc. (NASDAQ/NM: UVSGA)	57% equity 89% voting	Satellite distribution of video, audio, data and program promotion services
Domestic Telephony		
Sprint PCS Group (NYSE: PCS)	24% equity ² less than 1% voting	Digital PCS under the "Sprint" brand name
Western Tele-Communications, Inc.	100%	Provider of microwave and wireline transport of telecommunications services
AT&T (NYSE: T)	3%	Telecommunications
International Cable, Telephony and Programming		
Tele-Communications International, Inc.	85% equity 92% voting	International cable, telephony and programming
Digital Services		
National Digital Television Center, Inc.	100%	Provider of television production, digital compression, and transmission and authorization services to programmers, cable systems and other video distributors

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

<u>Company</u>	<u>Attributed Ownership¹</u>	<u>Business</u>
	Other Assets	
Academic Systems Corporation	5%	Provider of higher education multimedia instruction manuals
Antec Corporation (NASDAQ/NM: ANTC)	19%	Manufacturer of products for hybrid fiber/coaxial broadband networks
CSG Systems International, Inc. (NYSE: CSG)	5.5% ³	Provider of processing software and other customer management services to video and data distributors
General Instrument Corporation (NYSE: GIC)	13% ⁴	World-wide supplier of systems and equipment for high performance networks delivering video, voice and data/Internet services
Intessera, Inc.	100%	Provider of database management software
The Lightspan Partnership, Inc.	8%	Developer of educational programming
MCNS Holdings, L.P.	25%	Developer of multimedia communications network and associated technologies

- (1) Unless otherwise noted, ownership percentages represent both equity and voting interests.
- (2) The TCI Ventures Group holds securities of Sprint which are exercisable for or convertible into Sprint PCS Stock.
- (3) The TCI Ventures Group holds warrants which are exercisable for 1.5 million shares of common stock and which are subject to certain vesting requirements.
- (4) Excludes warrants to purchase approximately 21.4 million additional shares of General Instrument Corporation ("GI") common stock at \$14.25 per share, subject to certain vesting requirements and the payment to the TCI Group of approximately \$176 million.

As described elsewhere in this Proxy Statement/Prospectus, TCI is proposing to combine the businesses and assets of the TCI Ventures Group with the businesses and assets of the Liberty Media Group. Such combination is subject to shareholder approval; however, such combination is not contingent upon consummation of the Merger. In addition, the Merger Agreement provides that, immediately prior to the consummation of the Merger, the TCI Ventures Group (or the Liberty/Ventures Group, if the Liberty/Ventures Combination has been completed) will transfer or attribute to TCI Group its interest in @Home, NDTC, WTCI, AT&T and certain other assets in exchange for approximately \$5.5 billion in cash. If the Merger is not consummated, however, the TCI Ventures Group (or the Liberty/Ventures Group, if the Liberty/Ventures Combination has been completed) will continue to have such assets and businesses attributed to it.

Description of the TCI Ventures Group

The principal assets attributed to the TCI Ventures Group are described in greater detail below.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

Internet Service

The TCI Ventures Group's primary Internet service asset is its investment in @Home, a provider of Internet services over the cable television infrastructure to consumers and businesses.

At Home Corporation. @Home, which became a public company in July 1997, is the creator and operator of an Internet "backbone" that delivers data to homes and businesses through the cable infrastructure and a cable modem at speeds up to 100 times faster than traditional telephone dial-up alternatives.

@Home currently offers two Internet services: @Home for residential consumers and @Work for businesses and tele-commuters. @Home's primary offering "the @Home service" allows residential subscribers to connect their personal computers via cable modem to a new high-speed network developed and managed by @Home. @Home has entered into distribution arrangements with cable companies whose cable systems pass approximately 10.0 million homes. @Home's residential offering had approximately 210,000 cable modem subscribers across North America at September 30, 1998 representing an increase of approximately 43% from the 147,000 subscribers reported at June 30, 1998. The base of homes with two-way upgraded plant increased to approximately 57.3 million at September 30, 1998 from 7.9 million at June 30, 1998. For businesses, @Home's @Work service provides a platform for Internet, intranet and extranet connectivity solutions and networked business applications over both cable infrastructure and leased digital telecommunications lines. As of September 30, 1998, @Work had over 1,200 corporate customers, and the @Work service was available in 21 metropolitan markets.

TCI was a founding partner of @Home and the TCI Ventures Group currently holds a 39% equity interest and a 72% voting interest in @Home. Four officers or directors of TCI currently serve on @Home's 12 member board; however, the TCI Ventures Group has the right, at any time, to increase the size of @Home's Board of Directors and elect a majority of the directors of the @Home Board of Directors. The TCI Ventures Group's controlling position in @Home is, however, subject to certain negative controls. TCI has agreed that @Home will be the exclusive high-speed Internet service provider distributed over TCI's cable systems, subject to certain exceptions, until at least June 4, 2002 subject to early termination in certain circumstances. In February 1998, NDTA, on behalf of TCI, entered into a Memorandum of Understanding with @Home pursuant to which @Home agreed to develop software and provide integration services for TCI's advanced set top devices that will deliver both digital television and data services.

Competition. The markets for consumer and business Internet services and online content are extremely competitive, and the TCI Ventures Group expects that competition in these areas will intensify in the future. @Home's most direct competitors in these markets are Internet service providers ("ISPs"), national long-distance carriers and local exchange carriers, wireless service providers, online service providers ("OSPs") and Internet content aggregators.

Government Regulation. The law relating to liability of OSPs and ISPs for information carried on or disseminated through their networks is currently unsettled. A number of lawsuits have sought to impose liability for defamatory speech and infringement of copyrights. Some courts have held OSPs/ISPs liable for the copyright infringement of others accomplished using the OSP/ISP's facility, while other courts have held that such providers would be liable only upon taking affirmative steps in furtherance of the infringement. In addition, copyright and trademark laws are evolving both domestically and internationally, and there is uncertainty concerning how broadly the rights afforded under these laws will be applied to online environments. Various legislative proposals addressing copyright liability for OSPs/ISPs have been introduced in Congress, which may be considered in conjunction with U.S. Congress's consideration of legislation to implement the World Intellectual Property Organization Copyright Treaty.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

Diversified Satellite Communications

UVSG. The TCI Ventures Group currently has a 57% equity interest and an 89% voting interest in UVSG. UVSG provides satellite video, audio, data and program promotion services to multi-channel providers, satellite dish owners, radio stations and private network users throughout North America, and software development and systems integration services to commercial entities, the federal government and defense related agencies in locations throughout the United States. UVSG operates the following related satellite transmission businesses: (a) Prevue Networks, Inc., a wholly owned subsidiary that develops and distributes on-screen television program promotion and guide services, (b) Superstar Satellite Entertainment, a division that markets and distributes programming to C-Band DTH satellite dish owners in North America through SNG (c) UVTv, a division that markets and distributes three superstations primarily to cable operators, and (d) SpaceCom Systems, Inc., a wholly owned subsidiary that provides audio and data satellite transmission services to the paging industry and others. UVSG also has a 70% interest in SSDS, Inc., which provides information technology consulting, integration and software development services to large organizations with complex computer needs. UVSG is a leading provider of electronic program guide information, the primary distributor of Superstation WGN and the largest distributor of programming via C-Band satellite. UVSG also provides systems integration services to businesses and to the U.S. federal government on a nationwide basis. For further information on UVSG, see "Description of the Liberty Media Group—Programming Services."

Domestic Telephony

The TCI Ventures Group's telephony assets consist primarily of its ownership of (a) an approximately 24% equity interest in the "**Sprint PCS Group**," consisting of shares of Sprint PCS Stock (which have limited voting rights) and certain warrants and shares of convertible preferred stock exercisable for or convertible into such shares; (b) 100% of WTCI; and (c) approximately 47 million shares of AT&T Common Stock.

The Sprint PCS Group, which markets its wireless telephony products and services under the "Sprint"® and "Sprint PCS"® brand names, operates the only 100% digital PCS wireless network in the United States, with licenses to provide service nationwide utilizing a single frequency band and a single technology. The Sprint PCS Group owns licenses to provide service to the entire United States population, including Puerto Rico and the U.S. Virgin Islands.

WTCI provides long-distance transport of video, voice and data traffic and other telecommunications services to telecommunications carriers on wholesale basis. WTCI provides these services primarily through a digital broadband microwave network located in a 12-state region.

Competition. There is substantial competition in the domestic wireless telecommunications industry, and the Sprint PCS Group has stated its expectation that such competition will intensify as a result of the entrance of new competitors and the increasing pace of development of new technologies, products and services. Each of the markets in which the Sprint PCS Group competes is served by other two-way wireless service providers, including cellular and PCS operators and resellers.

Government Regulation. The FCC regulates the licensing, construction, operation, acquisition, resale and interconnection arrangements of domestic wireless telecommunications systems. The activities of wireless service providers are subject to regulation in varying degrees, depending on the jurisdiction, by state and local regulatory agencies as well. The FCC, in conjunction with the U.S. Federal Aviation Administration, also regulates tower marking and lighting, and FCC environmental rules may cause certain PCS network facilities to become subject to regulation under the National Environmental Policy Act.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

International Cable and Programming and Telephony

TINTA. TCI owns 100% of the equity in TINTA, of which 85% is attributed to the TCI Ventures Group and 15% is attributed to the Liberty Media Group. TINTA provides diversified programming services and operates broadband cable television and telephony distribution networks in selected markets outside the United States. At September 30, 1998, TINTA had ownership interests in or managed 61 cable and satellite programming services, which are received by subscribers in various countries outside the United States. TINTA also has ownership interests in companies operating broadband networks that, at September 30, 1998, provided cable television service to an aggregate of approximately 4.6 million basic subscribers and, primarily in the United Kingdom, provided telephone service over approximately 1.3 million telephone lines.

TINTA has recently placed greater emphasis on the acquisition and development of multi-channel programming businesses, while maintaining meaningful and complementary interests in cable distribution assets. TINTA's distribution and programming ventures are concentrated in the United Kingdom, Europe, Latin America, Asia, Australia and the Caribbean, with particular focus, at present, on the United Kingdom, Argentina and Japan.

Included among TINTA's cable and telephony distribution assets are an indirect 21% interest in Telewest Communications plc ("**Telewest**") and a 40% interest in Jupiter Telecommunications Co. Ltd ("**Jupiter**"). Telewest is a leading provider of cable television and cable telephony services in the United Kingdom providing cable television services over a broadband (*i.e.*, high capacity) network and uses such network, together with twisted-pair copper wire connections for final delivery to the customer premises, to provide telephony services to its customers. Jupiter provides residential and business cable telephony in Japan.

TINTA also currently has an approximate 28% ownership interest and certain conditional management rights in Cablevisión S.A. ("**Cablevisión**"), which is the second largest cable television company in Argentina. At September 30, 1998, Cablevisión provided cable television service to an aggregate of approximately 1.5 million subscribers.

TINTA's programming interests include a 37% equity interest (representing a 50% voting interest) in Flextech p.l.c. ("**Flextech**"), a 33% interest in MultiThematiques, S.A. ("**MultiThematiques**") and a 50% interest in Jupiter Programming. Through its subsidiaries and affiliates, Flextech creates, packages and markets entertainment and information programming for distribution on cable television and DTH satellite providers throughout the United Kingdom and parts of continental Europe. Flextech's ordinary shares trade on the London Stock Exchange. MultiThematiques and Jupiter Programming provide multi-channel programming to cable television and DTH satellite providers in continental Europe and Japan, respectively. In addition, in August 1998, TINTA purchased Pramer S.R.L., an Argentine company which programs, markets and distributes 16 cable channels in Argentina, of which 10 are distributed throughout Latin America, and which markets one terrestrial station to operators in Argentina and neighboring countries.

Competition. The various cable operators in which TINTA has interests directly compete for customers and advertisers in local markets with other providers of entertainment, news and information. Such cable operators also compete with companies who use alternative methods of distributing the same or similar video programming offered by cable television systems.

The business of distributing programming for cable and satellite television is also highly competitive. TINTA's programming subsidiaries and affiliates directly compete with other programming services for distribution on a limited number of television channels and, when distribution is obtained, they compete for viewers and advertisers with other programming services.

[ADDITIONAL PAGE TO TCI SHAREHOLDERS ONLY]

Government Regulation. Substantially every country in which TINTA has, or proposes to make, an investment regulates, in varying degrees, (a) the granting of cable and telephony franchises, the construction of cable and telephony systems and the operations of cable, other multi-channel television operators and telephony operators and service providers, as well as the acquisition of, and foreign investments in, such operators and service providers, and (b) the broadcast and content of programming and Internet services and foreign investment in programming companies. Regulations or laws may cover wireline and wireless telephony, satellite and cable communications and Internet services, among others. Regulations or laws that exist at the time TINTA makes an investment in a subsidiary or affiliate may thereafter change, and there can be no assurance that material and adverse changes in the regulation of the services provided by TINTA's subsidiaries and affiliates will not occur in the future. Regulation can take the form of price controls, service requirements and programming and other content restrictions, among others. Moreover, some countries do not issue exclusive licenses to provide multi-channel television services within a geographic area, and in those instances TINTA may be adversely affected by an overbuild by a competing cable operator. In certain countries where multi-channel television is less developed, there is minimal regulation of cable television, and, hence, the protections of the cable operator's investment available in the United States and other countries (such as rights to renewal of franchises and utility pole attachment) may not be available in these countries.

National Digital Television Center, Inc., NDTC, which operates through a number of wholly owned subsidiaries of TCI, provides a wide range of analog and digital television services to programmers, cable operators and satellite distributors.

NDTC's Video Services unit, through its state-of-the-art facilities outside of Denver and additional facilities in New York, Los Angeles and Hong Kong, provides services such as studio production, post-production, on-air origination, digital compression, encryption and authorization, and satellite uplink services. NDTC's HITS unit manages a package of compressed digital signals and sells this service along with GI's authorization services to United States cable operators. The HITS programming lineup consists of over 130 program channels and 40 digital music channels. Currently, most of the major United States cable operators, representing approximately 42 million potential customers, utilize HITS. HITS currently has approximately 1.3 million digital subscribers. NDTC's Technology unit manages a team developing an advanced digital settop terminal. This team consists primarily of GI, Microsoft Corporation, Sun Microsystems, Inc., Prevue Networks, Inc. and @Home. Scheduled for quantity delivery in late 1999, the advanced digital settop terminal is expected to combine traditional television services with high-speed interactive services. NDTC is also managing the Internet-like services that will be offered on the advanced digital settop terminal and, under contract with GI, the national settop authorization system service.

On July 17, 1998, NDTC acquired approximately 21.4 million shares of restricted common stock of GI in exchange for (a) certain assets of NDTC's settop authorization business, (b) the license of certain related technology to GI, (c) a \$50 million promissory note from the TCI Ventures Group, and (iv) a nine-year revenue guarantee in favor of GI. NDTC has also entered into a service agreement pursuant to which it provides certain services to GI's settop authorization business.

Pursuant to an agreement between NDTC and GI, the TCI Group holds warrants to purchase approximately 21.4 million additional shares of GI common stock at \$14.25 per share which vest upon the purchase of certain quantities of advanced digital settop terminals. The TCI Ventures Group will pay the TCI Group an aggregate of approximately \$176 million in cash and the TCI Ventures Group will retain these warrants. If any warrants are forfeited solely because the TCI Group fails to purchase the required number of advanced digital settop terminals, the TCI Group will pay to the TCI Ventures Group an amount equal to \$8.25 for each warrant forfeited, adjusted as appropriate for any changes in the capitalization of GI.

THE SPECIAL MEETINGS

This Proxy Statement/Prospectus is furnished in connection with the solicitation of proxies (a) from the holders of AT&T Common Stock by the AT&T Board for use at the AT&T Special Meeting; and (b) from the holders of TCI Voting Securities for use at the TCI Special Meeting. This Proxy Statement/Prospectus and accompanying form of proxy are first being mailed to the respective shareholders of AT&T and TCI on or about January 11, 1999.

This Proxy Statement/Prospectus is also furnished to TCI shareholders as a prospectus in connection with the issuance by AT&T of the shares of AT&T Common Stock and New Liberty Media Group Tracking Stock in connection with the Merger.

AT&T Special Meeting

Time and Place; Purposes

The AT&T Special Meeting will be held at the Meadowlands Exposition Center, 355 Plaza Drive, Secaucus, New Jersey, on Wednesday, February 17, 1999, at 8:00 a.m. local time. At the AT&T Special Meeting (and any adjournment or postponement thereof), AT&T shareholders will be asked to consider and vote upon the AT&T Merger Proposal. Representatives from PricewaterhouseCoopers LLP, independent accountants for AT&T, are expected to be present at the AT&T Special Meeting, to have the opportunity to make a statement if they so desire and to be available to respond to appropriate questions.

Special Meeting Admission

Registered AT&T shareholders planning to attend the AT&T Special Meeting in person should detach and retain the admission ticket and map which are attached to the proxy card. AT&T shareholders choosing to vote by mail and attend the AT&T Special Meeting should be sure to mark the "Special Meeting" box when returning the proxy card. AT&T beneficial shareholders who plan to attend the meeting may obtain an admission ticket in advance by sending a written request, with proof of ownership, such as a bank or brokerage firm account statement, to: Manager-Proxy, AT&T Corp., 295 North Maple Avenue, Room 1216L2, Basking Ridge, New Jersey 07920-1002. Admittance to the AT&T Special Meeting will be based upon availability of seating.

AT&T shareholders who do not present admission tickets at the AT&T Special Meeting will be admitted upon verification of ownership at the admissions counter.

Record Date; Voting Rights; Votes Required for Approval

The AT&T Board has fixed the close of business on December 24, 1998 as the record date (the "AT&T Record Date") for the determination of the holders of AT&T Common Stock entitled to receive notice of and to vote at the AT&T Special Meeting.

Only holders of record of shares of AT&T Common Stock on the AT&T Record Date are entitled to notice of and to vote at the AT&T Special Meeting. Each holder of record of AT&T Common Stock as of the AT&T Record Date is entitled to cast one vote per share on all matters submitted to AT&T's shareholders.

On January 1, 1999, there were 1,753,579,504 shares of AT&T Common Stock outstanding and entitled to vote at the AT&T Special Meeting held by approximately 1,696,638 holders of record.

The presence, in person or by proxy, of the holders of 40% of the outstanding shares of AT&T Common Stock entitled to vote is necessary to constitute a quorum at the AT&T Special Meeting. The affirmative vote of the holders of a majority of the outstanding shares of AT&T Common Stock is required to approve and

adopt the AT&T Merger Proposal. No individual director or officer of AT&T beneficially owns, nor do the directors and executive officers as a group own, 1% or more of AT&T Common Stock.

Voting and Revocation of Proxies

All shares of common stock of AT&T represented by properly executed proxies received prior to or at the AT&T Special Meeting and not revoked will be voted in accordance with the instructions indicated in such proxies. If no instructions are indicated on a properly executed returned proxy, such proxies will be voted FOR the approval of the AT&T Merger Proposal. Proxies voted against the AT&T Merger Proposal will not be voted in favor of any adjournment or postponement of the AT&T Special Meeting for the purpose of soliciting additional proxies.

Abstentions may be specified on all proposals. A properly executed proxy marked "ABSTAIN" with respect to any proposal will be counted as present for purposes of determining whether there is a quorum and for purposes of determining the aggregate voting power and number of shares represented and entitled to vote at the AT&T Special Meeting with respect to the indicated proposal. Because the affirmative votes described above are required for approval of the AT&T Merger Proposal, a proxy marked "ABSTAIN" with respect to the AT&T Merger Proposal will have the effect of a vote against the AT&T Merger Proposal. In addition, the failure of a shareholder of AT&T to return a proxy will have the effect of a vote against the AT&T Merger Proposal.

Under NYSE rules, brokers who hold shares in street name for customers have the authority to vote on certain "routine" proposals when they have not received instructions from beneficial owners. Under NYSE rules, such brokers are precluded from exercising their voting discretion with respect to proposals for non-routine matters such as the AT&T Merger Proposal. Thus, absent specific instructions from the beneficial owner of such shares, brokers are not empowered to vote such shares with respect to the approval and adoption of the AT&T Merger Proposal (*i.e.* "broker non-votes"). Since the affirmative votes described above are required for approval of the AT&T Merger Proposal, a broker non-vote with respect to the AT&T Merger Proposal will have the effect of a vote against the AT&T Merger Proposal.

A shareholder may revoke such shareholder's proxy at any time prior to its use by delivering to the Secretary of AT&T, a signed notice of revocation or a later-dated, signed proxy, or by executing a later-dated proxy by telephone or Internet, or by attending the AT&T Special Meeting and voting in person. Attendance at the AT&T Special Meeting will not in itself constitute the revocation of a proxy.

The cost of solicitation of proxies will be paid by AT&T for AT&T proxies. In addition to solicitation by mail, arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries to send the proxy materials to beneficial owners; and AT&T will, upon request, reimburse such brokerage houses and custodians for their reasonable expenses in so doing. AT&T has retained Morrow & Co., Inc., for a fee of \$75,000 (plus expenses), to aid in the solicitation of proxies and to verify certain records related to the solicitations. In addition, AT&T has retained Shareholder Communications Corporation to answer telephone inquiries from shareholders in connection with the Merger for a variable fee equal to \$1.50 to \$2.75 per call, depending on volume. To the extent necessary in order to ensure sufficient representation at the AT&T Special Meeting, AT&T or its proxy solicitors may request the return of proxy cards by personal interview, mail, telephone, facsimile or other means of electronic transmission. The extent to which this will be necessary depends entirely upon how promptly proxy cards are returned. Shareholders are urged to send in their proxies without delay.

If an AT&T shareholder wishes to give such shareholder's proxy to someone other than the AT&T proxy committee, all three names appearing on the proxy card must be crossed out and the name of another individual or individuals (not more than three) inserted. The signed card must be presented at the meeting by the individual or individuals representing such shareholder.

As a matter of policy, proxies, ballots, and voting tabulations that identify individual shareholders are kept private by AT&T. Such documents are available for examination only by the inspectors of election and certain personnel associated with processing proxy cards and tabulating the vote. The vote of any shareholder is not disclosed except as may be necessary to meet legal requirements.

Voting of Shares of AT&T Common Stock Held in Dividend Reinvestment and Savings Plans

If an AT&T shareholder is a participant in the AT&T Shareowner Dividend Reinvestment and Stock Purchase Plan (“**DRISPP**”) or the AT&T Employee Stock Purchase Plan (“**ESPP**”), the proxy card will represent the number of full shares in the DRISPP and the ESPP accounts on the AT&T Record Date, as well as shares registered in the participant’s name. If an AT&T employee shareholder is a participant in the AT&T Employee Stock Ownership Plan, AT&T Long Term Savings Plan for Management Employees, AT&T Long Term Savings and Security Plan, AT&T Retirement Savings and Profit Sharing Plan, AT&T of Puerto Rico, Inc. Long Term Savings Plan for Management Employees, or AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan, the proxy card will also serve as a voting instruction for the trustees of those plans where all accounts are registered in the same name. If proxy cards representing shares in the above-named plans are not returned, those shares will not be voted except for shares in the employer shares fund in the AT&T Long Term Savings and Security Plan which will be voted by the trustee of the plan.

Telephone Proxies—An Additional Voting Choice

AT&T shareholders may use a toll-free telephone number to authorize the Proxy Committee to vote their shares. The enclosed proxy card contains the specific instructions to be followed by AT&T shareholders for telephone voting. AT&T shareholders whose shares are held in the name of a bank or broker should follow the voting instructions provided by the bank or broker. The availability of telephone voting will depend on the voting processes of the bank or broker.

Internet Voting—An Additional Voting Choice

AT&T shareholders may submit a proxy by Internet in lieu of returning an executed proxy card. In order to use this voting service, AT&T shareholders should log onto AT&T’s voting web site (att.proxyvoting.com) and follow the instructions. The enclosed proxy card also contains instructions for Internet voting. The availability of Internet voting to AT&T shareholders whose shares are held in the name of a bank or broker will depend on the voting processes of the bank or broker.

TCI Special Meeting

Time and Place; Purposes

The TCI Special Meeting will be held at TCI’s National Digital Television Center, 4100 East Dry Creek Road, Littleton, Colorado, on February 17, 1999, at 10:00 a.m. local time. At the TCI Special Meeting (and any adjournment or postponement thereof), TCI shareholders will be asked to consider and vote upon:

- the TCI Merger Proposal;
- the Liberty/Ventures Combination Proposal; and
- the Increased Authorization Proposal.

Representatives from KPMG LLP, independent certified public accountants for TCI, are expected to be present at the TCI Special Meeting, to have an opportunity to make a statement if they so desire and to be available to respond to appropriate questions.

Record Date; Voting Rights; Votes Required for Approval

The TCI Board has fixed the close of business on December 31, 1998 as the record date (the “**TCI Record Date**”) for the determination of the holders of TCI Voting Securities entitled to receive notice of and to vote at the TCI Special Meeting.

Only holders of record of shares of TCI Voting Securities on the TCI Record Date are entitled to vote at the TCI Special Meeting. Each holder of record of TCI Group Series A Tracking Stock, Liberty Media Group Series A Tracking Stock and TCI Ventures Group Series A Tracking Stock as of the TCI Record Date is entitled to cast one vote per share on all matters submitted to TCI’s shareholders. Each holder of record of TCI Group Series B Tracking Stock, Liberty Media Group Series B Tracking Stock and TCI Ventures Group Series B Tracking Stock as of the TCI Record Date is entitled to cast 10 votes per share on all matters submitted to TCI shareholders. Each holder of record of TCI Series C-TCI Group Preferred Stock and TCI Series C-Liberty Media Group Preferred Stock as of the TCI Record Date is entitled to vote its shares on an as-converted into TCI Common Stock basis on all matters submitted to TCI’s shareholders.

On December 31, 1998, there were:

- 473,657,007 shares of TCI Group Series A Tracking Stock outstanding and entitled to vote at the TCI Special Meeting held by approximately 5,579 holders of record;
- 64,444,193 shares of TCI Group Series B Tracking Stock outstanding and entitled to vote at the TCI Special Meeting held by approximately 349 holders of record;
- 335,674,724 shares of Liberty Media Group Series A Tracking Stock outstanding and entitled to vote at the TCI Special Meeting held by approximately 4,364 holders of record;
- 31,698,895 shares of Liberty Media Group Series B Tracking Stock outstanding and entitled to vote at the TCI Special Meeting held by approximately 292 holders of record;
- 377,191,780 shares of TCI Ventures Group Series A Tracking Stock outstanding and entitled to vote at the TCI Special Meeting held by approximately 1,244 holders of record;
- 45,318,338 shares of TCI Ventures Group Series B Tracking Stock outstanding and entitled to vote at the TCI Special Meeting held by approximately 123 holders of record;
- 43,575 shares of TCI Series C-TCI Group Preferred Stock outstanding and entitled to vote at the TCI Special Meeting held by approximately 1 holder of record; and
- 70,575 shares of TCI Series C-Liberty Media Group Preferred Stock outstanding and entitled to vote at the TCI Special Meeting held by approximately 1 holder of record.

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of TCI Voting Securities is necessary to constitute a quorum at the TCI Special Meeting. The affirmative vote of the holders of a majority of the combined voting power of the outstanding TCI Voting Securities is required to approve and adopt the TCI Merger Proposal. The affirmative vote of the holders of 66⅔% of the combined voting power of the outstanding TCI Voting Securities, as well as the affirmative vote of a majority of the voting power of the outstanding shares of each of Liberty Media Group Tracking Stock and TCI Ventures Group Tracking Stock, each voting as a separate class of stock, is required to approve and adopt the Liberty/Ventures Combination Proposal. The affirmative vote of the holders of 66⅔% of the combined voting power of the outstanding TCI Voting Securities is required to approve and adopt the Increased Authorization Proposal. The directors and officers of TCI beneficially own approximately 1,732,189 shares of TCI Group Series A Tracking Stock, 54,393,529 shares of TCI Group Series B Tracking Stock, 10,482,500 shares of Liberty Media Group Series A Tracking Stock, 27,139,000 shares of Liberty Media Group Series B Tracking Stock, 1,185,304 shares of TCI Ventures Group Series A Tracking Stock, 41,811,508 shares of TCI Ventures Group Series B Tracking

Stock, no shares of TCI Series C-TCI Group Preferred Stock and no shares of TCI Series C-Liberty Media Group Preferred Stock, representing approximately 47.8% of the total voting power of the TCI Voting Securities.

Voting and Revocation of Proxies

All TCI Voting Securities represented by properly executed proxies received prior to or at the TCI Special Meeting and not revoked will be voted in accordance with the instructions indicated in such proxies. If no instructions are indicated on a properly executed returned proxy, such proxies will be voted FOR the approval of each of the TCI Proposals. Proxies voted against the TCI Proposals will not be voted in favor of any adjournment or postponement of the TCI Special Meeting for the purpose of soliciting additional proxies.

Abstentions may be specified on all proposals. A properly executed proxy marked "ABSTAIN" with respect to any proposal will be counted as present for purposes of determining whether there is a quorum. Because the affirmative votes required for approval of the TCI Proposals are, as described above, a percentage of the combined voting power of the outstanding shares, whether or not voted, a proxy marked "ABSTAIN" with respect to any proposal will have the effect of a vote against such proposal. In addition, the failure of a shareholder of TCI to return a proxy and to vote in person at the TCI Special Meeting will have the effect of a vote against the TCI Proposals.

Shares represented by "broker non-votes" (*i.e.*, shares held by brokers or nominees that are represented at a meeting but with respect to which the broker or nominee is not empowered to vote on a particular proposal) will also be counted for purposes of determining whether there is a quorum at the TCI Special Meeting but will not be voted. Such shares will be counted for purposes of determining the combined voting power of each class and series of TCI Voting Securities outstanding on the TCI Record Date and, accordingly, will have the same effect as a vote cast against the TCI Proposals.

A shareholder may revoke such shareholder's proxy at any time prior to its use by delivering to the Secretary of TCI a signed notice of revocation or a later-dated, signed proxy or by attending the TCI Special Meeting and voting in person. Attendance at the TCI Special Meeting will not in itself constitute the revocation of a proxy.

The cost of solicitation of proxies will be paid by TCI for TCI proxies. In addition to solicitation by mail, officers and regular employees of TCI may solicit proxies in person or by mail, telephone, facsimile or other means of electronic transmission. The extent as to which this is necessary depends entirely upon how promptly proxy cards are returned. Arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries to send the proxy materials to beneficial owners; and TCI will, upon request, reimburse such brokerage houses and custodians for their reasonable expenses in so doing. Shareholders are urged to send in their proxies without delay.

Shareholders should not send in any stock certificates with their proxy cards. As soon as practicable after the consummation of the Merger, a transmittal letter will be sent to former shareholders of TCI with instructions for surrendering their Certificates in exchange for AT&T Common Stock or New Liberty Media Group Tracking Stock, as appropriate.

EXPERTS

The consolidated balance sheets of AT&T as of December 31, 1997 and 1996 and the consolidated statements of income, changes in shareowners' equity and cash flows for AT&T for each of the three years in the period ended December 31, 1997, incorporated by reference in this Proxy Statement/Prospectus, have been incorporated herein in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of that firm as experts in accounting and auditing.

The consolidated balance sheets of Tele-Communications, Inc. and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1997, and the related financial statement schedules, which appear in the December 31, 1997 Annual Report on Form 10-K, as amended by Form 10-K/A (Amendment No. 1), of Tele-Communications, Inc. have been incorporated by reference herein in reliance upon the reports, dated March 20, 1998, except for note 19 which is as of January 6, 1999, of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The combined balance sheets of TCI Group as of December 31, 1997 and 1996, and the related combined statements of operations, equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 1997, which report appears in the December 31, 1997 Annual Report on Form 10-K, as amended by Form 10-K/A (Amendment No. 1), of Tele-Communications, Inc., have been incorporated by reference herein in reliance upon the report, dated March 20, 1998, of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. The report of KPMG LLP covering the combined financial statements above refers to the effects of not consolidating the TCI Group's interest in the Liberty Media Group and the TCI Ventures Group for all periods that the TCI Group has an interest in the Liberty Media Group and the TCI Ventures Group.

The combined balance sheets of Liberty/Ventures Group as of December 31, 1997 and 1996, and the related combined statements of operations, equity, and cash flows for each of the years in the three-year period ended December 31, 1997, which report appears in the Current Report on Form 8-K, dated January 7, 1999, of Tele-Communications, Inc., have been incorporated by reference herein in reliance upon the report, dated March 20, 1998, except for notes 2 and 14, which are as of September 14, 1998, and January 6, 1999, respectively, of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The combined balance sheets of Liberty Media Group as of December 31, 1997 and 1996, and the related combined statements of operations, equity, and cash flows for each of the years in the three-year period ended December 31, 1997, which report appears in the December 31, 1997 Annual Report on Form 10-K, as amended by Form 10-K/A (Amendment No. 1), of Tele-Communications, Inc., have been incorporated by reference herein in reliance upon the report, dated March 20, 1998, of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The combined balance sheets of TCI Ventures Group as of December 31, 1997 and 1996, and the related combined statements of operations, equity, and cash flows for each of the years in the three-year period ended December 31, 1997, which report appears in the December 31, 1997 Annual Report on Form 10-K, as amended by Form 10-K/A (Amendment No. 1), of Tele-Communications, Inc., have been incorporated by reference herein in reliance upon the report, dated March 20, 1998, except for note 18 which is as of January 6, 1999, of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated balance sheet of Telewest Communications plc and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of operations and cash flows for each of the years in the three-year period ended December 31, 1997, which report appears in the December 31, 1997 Annual Report on Form 10-K, as amended by Form 10-K/A (Amendment No. 1), of Tele-Communications, Inc., have been incorporated by reference herein in reliance upon the report, dated March 19, 1998, of KPMG Audit Plc, chartered accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated balance sheets of Cablevision Systems Corporation and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of operations, stockholders' deficiency and cash flows for each of the years in the three-year period ended December 31, 1996, and the related financial statement schedule, which report appears in the Current Report on Form 8-K, as amended on Form 8-K/A (Amendment No. 2) of Tele-Communications, Inc., dated March 6, 1998, have been incorporated by reference herein in reliance upon the report, dated April 1, 1997, of KPMG LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated balance sheets of Sprint Spectrum Holding Company, L.P. and subsidiaries as of December 31, 1997 and 1996 and the related consolidated statements of operations, changes in partners' capital and cash flows for each of the three years in the period ended December 31, 1997 incorporated in this Proxy Statement/Prospectus by reference, which appear in the Annual Report on Form 10-K, as amended by Form 10-K/A (Amendment No. 1), of Tele-Communications, Inc. for the year ended December 31, 1997, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report (which expresses an unqualified opinion and includes an explanatory paragraph referring to the emergence from the development stage), which is incorporated herein by reference, and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

LEGAL MATTERS

The validity of the shares of AT&T Common Stock and New Liberty Media Group Tracking Stock to be issued in connection with the Merger is being passed upon for AT&T by Robert S. Feit, General Attorney and Assistant Secretary of AT&T. As of December 15, 1998, Mr. Feit owned 3,043 shares of AT&T Common Stock (including restricted shares) and held options to purchase an additional 17,500 shares of AT&T Common Stock.

Certain of the tax consequences of the Merger will be passed upon at the Effective Time, as a condition to the Merger, by Wachtell, Lipton, Rosen & Katz, New York, New York, on behalf of AT&T, and by Baker & Botts, L.L.P., on behalf of TCI. See "The Proposed Transactions—Material Federal Income Tax Consequences."

SUBMISSION OF SHAREHOLDER PROPOSALS

Due to the contemplated consummation of the Merger, TCI does not currently intend to hold a 1999 Annual Meeting of Shareholders. In the event that such a meeting is held, any proposals of shareholders intended to be presented at the 1999 Annual Meeting of Shareholders must have been received by the Secretary of TCI no later than December 31, 1998.

AT&T's 1999 Annual Meeting of Shareholders is expected to be held in May 1999. Any AT&T shareholder who intended to submit a proposal for inclusion in the proxy materials for AT&T's 1999 Annual Meeting of Shareholders must have submitted such proposal to the Vice President-Law and Secretary of AT&T by November 26, 1998. The AT&T By-Laws require shareholders who intend to propose business to be considered by shareholders at an annual meeting, other than shareholder proposals included in the proxy statement, to give written notice to the Secretary of AT&T not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. Matters to be raised by a shareholder at AT&T's 1999 Annual Meeting of Shareholders must be submitted on or after January 20, 1999 but no later than February 19, 1999. The written notice should be sent to the address above and must include a brief description of the business, the reasons for conducting such business, any material interest in such business by the shareholder, the name and address of the shareholder as they appear on AT&T's books and the class and number of shares of AT&T beneficially owned by the shareholder.

SEC rules set forth standards as to what shareholder proposals are required to be included in a proxy statement for an annual meeting.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Proxy Statement/Prospectus contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or synergies, budgets, capital and other expenditures, competitive positions, growth opportunities for existing products, benefits from new technology, plans and objectives of management, markets for stock of AT&T, the AT&T Common Stock Group, TCI, the TCI Group, and the Liberty/Ventures Group (or the New Liberty Media Group) and other matters. Statements in this document that are not historical facts are hereby identified as "forward-looking statements" for the purpose of the safe harbor provided by Section 21E of the Exchange Act and Section 27A of the Securities Act. Such forward-looking statements, including, without limitation, those relating to the future business prospects, revenues, working capital, liquidity, capital needs, interest costs and income, in each case relating to AT&T, the AT&T Common Stock Group, TCI, the TCI Group and the Liberty/Ventures Group (or the New Liberty Media Group), wherever they occur in this Proxy Statement/Prospectus, are necessarily estimates reflecting the best judgment of the senior management of AT&T and TCI and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Such forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in this Proxy Statement/Prospectus. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include without limitation:

- the effects of vigorous competition in the markets in which these entities operate;
- the ability to enter into agreements to, and the cost of, entering new markets necessary to provide nationwide services;
- the ability of AT&T to establish a significant market presence in the new geographic and service markets; and
- requirements imposed on these entities or latitude allowed to their competitors by the FCC or state regulatory commissions under the Telecommunications Act or other applicable laws and regulations. See "The AT&T Tracking Stock Amendment—Special Considerations Relating to the Issuance of Tracking Stock and the Merger."

The words "estimate," "project," "intend," "expect," "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are found at various places throughout this Proxy Statement/Prospectus and the other documents incorporated herein by reference, including, but not limited to, the December 31, 1997 Annual Report on Form 10-K of AT&T (including any amendments thereto) and the December 31, 1997 Annual Report on Form 10-K of TCI (including any amendments thereto). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. Neither AT&T nor TCI undertakes any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

INDEX OF DEFINED TERMS

	<u>Page No.</u>		<u>Page No.</u>
1992 Cable Act	182	Earnings (Loss) Attributable to the TCI Group	151
@Home	25	EBITDA	43
Adjusted Liberty/Ventures Group Outstanding Interest Fraction	157	Effective Time	27
Adjusted Outstanding Shares of Liberty/Ventures Group Tracking Stock	155	EMG	177
Adjusted Transaction Value	43	EPS	43
Amended TCI Charter	118	ESPP	193
Antitrust Division	60	European Commission	63
Appraisal Date	154	Excess AT&T Common Stock	70
Asset Transfers	25	Excess New Liberty Media Group Tracking Stock	71
AT&T Alternative Case	43	Excess Stock	71
AT&T Common Stock	24	Exchange Act	76
AT&T Common Stock Group	23	Exchange Agent	70
AT&T Management Case	43	FCC	21
AT&T Merger Proposal	24	First Appraiser	154
AT&T Preferred Stock	98	Flextech	189
AT&T Record Date	191	Fox Sports	180
AT&T Tracking Stock Amendment	24	FTC	60
By-Law Amendment	104	FTC Consent Decree	178
Cablevisión	189	GI	186
Call Agreements	52	Higher Appraised Amount	154
Certificates	71	HITS	48
Class A Directors	81	HSN	176
Class B Directors	81	HSR Act	60
Class C Directors	81	Increased Authorization	28
Closing	25	Increased Authorization Proposal	25
Closing Date	68	Inter-Group Agreement	52
Code	57	inter-group interest	132
Comparable Cable Companies	46	Intercompany Agreements	108
Contribution Agreement	51	ISPs	187
Covered Shares	80	Jupiter	189
CSFB	29	Jupiter Programming	176
DCF	48	Liberty Board	36
Delaware Business Combination Law	119	Liberty Charter Documents	67
DGCL	26	Liberty Media Group	24
Discovery	178	Liberty Media Group Exchange Ratios	27
Disposition	115	Liberty Media Group LLC	51
DLJ	28	Liberty Media Group Series A Tracking Stock	25
DLJ Engagement Letter	48	Liberty Media Group Series B Tracking Stock	25
DLJ Opinions	30	Liberty Media Group Tracking Stock	25
DRISPP	193	Liberty/TINTA	177
DTH	177	Liberty/Ventures Combination	28
Earnings (Loss) Attributable to the Liberty/Ventures Group	150	Liberty/Ventures Combination Proposal	25
		Liberty/Ventures Combination Exchange Ratios	27

	<u>Page No.</u>		<u>Page No.</u>
Liberty/Ventures Group	28	New Liberty Media Group Tracking Stock	24
Liberty/Ventures Group Available Dividend		News Corp.	180
Amount	150	New York Business Combination Law	120
Liberty/Ventures Group Exchange Ratios	26	Number of Shares Issuable with Respect to the	
Liberty/Ventures Group Inter-Group Interest		Liberty/Ventures Group Inter-Group	
Fraction	150	Interest	145
Liberty/Ventures Group Net Proceeds	156	NYBCL	98
Liberty/Ventures Group Optional Conversion		NYSE	9
Ratio	154	OSPs	187
Liberty/Ventures Group Outstanding Interest		Policy Statement	104
Fraction	150	Pre-Existing Convertible Securities	146
Liberty/Ventures Group Private Market Value .	154	Programming Companies	182
Liberty/Ventures Group Qualifying		Proposals	97
Subsidiary	159	Proposed Final Judgment	60
Liberty/Ventures Group Series A Tracking		Qualifying Subsidiary	106
Stock	26	Rainbow	180
Liberty/Ventures Group Series B Tracking		Rainbow Transactions	180
Stock	26	Registration Statement	19
Liberty/Ventures Group Tracking Stock	26	Required Majority Vote	81
Liberty/Ventures Group Tracking Stock Per		Reserved Property	158
Share Value	154	SEC	19
Liberty/Ventures Opinion	30	Second Appraiser	154
liquidation	117	Securities Act	66
Lower Appraised Amount	154	Selection Date	154
M&A Comparable Companies	47	share distribution	114
Magness Group	52	Shareholders' Agreement	53
Magness Group Call Agreement	52	SHV Act	183
Malone Call Agreement	52	SMATV	177
Malones	52	SNG	177
market capitalization	165	Special Committee	28
market value	154	Sprint PCS Group	188
Merger	24	Sprint PCS Stock	60
Merger Agreement	25	SSI	177
Merger Exchange Ratio	29	SSI Affiliates	177
Merger Sub	23	SSI Subscribers	177
Merrill Lynch	49	Stipulation	60
MMDS	177	Superior Proposal	76
MultiThematiques	189	Synergies	41
Mutually Appraised Amount	154	Takeover Proposal	76
Mutually Designated Appraiser	154	Tax Sharing Agreement	80
NASDAQ/NM	9	TBS	176
NBC	176	TBS/Time Warner Merger	176
NDTC	25	TCI Affiliated Group	80
Netlink	177	TCI Alternative Case	43
Netlink Transaction	180	TCI Charter Amendment	25
New Liberty Media Group	23	TCI Class A Preferred Stock	167
New Liberty Media Group Allocated NOL ...	80	TCI Class B Preferred Stock	26
New Liberty Media Group Class A		TCI Common Stock	44
Tracking Stock	24	TCI Convertible Preferred Stock	26
New Liberty Media Group Class B		TCI Convertible Securities	146
Tracking Stock	24	TCI Group	24
		TCI Group Available Dividend Amount	151

	<u>Page No.</u>		<u>Page No.</u>
TCI Group Exchange Ratios	26	TCI Series H Preferred Stock	26
TCI Group Series A Tracking Stock	26	TCI Series Preferred Stock	167
TCI Group Series B Tracking Stock	26	TCI Ventures Group	24
TCI Group Tracking Stock	26	TCI Ventures Group Exchange Ratios	27
TCI Management Case	43	TCI Ventures Group Series A Tracking Stock	25
TCI Merger Opinion	30	TCI Ventures Group Series B Tracking Stock	25
TCI Merger Proposal	25	TCI Ventures Group Tracking Stock	25
TCI Music	177	TCI Voting Securities	77
TCI Preferred Stock	26	Telecommunications Act	31
TCI Proposals	25	Teleport	25
TCI Record Date	194	Teleport Merger	25
TCI Related Business Transaction	158	Telewest	189
TCI Restricted Stock Awards	55	Termination Date	80
TCI SARs	54	TINTA	142
TCI Selected Companies	42	Transaction Agreements	29
TCI Selected Transactions	43	Transactions	25
TCI Series A Tracking Stock	56	Triggering Event	51
TCI Series B Tracking Stock	56	Trust Agreement	61
TCI Series C Preferred Stock	26	Trustee	60
TCI Series C-Liberty Media Group Exchange Ratio	26	TV Guide Acquisition	180
TCI Series C-Liberty Media Group Preferred Stock	26	TW Exchange Stock	178
TCI Series C-TCI Group Exchange Ratio	26	TyC	181
TCI Series C-TCI Group Preferred Stock	26	USAi	176
TCI Series F Preferred Stock	70	UVSG	142
TCI Series G Exchange Ratio	26	Voting Agreement	76
TCI Series G Preferred Stock	26	WTCI	25

**AGREEMENT AND PLAN OF RESTRUCTURING AND MERGER
AMONG
AT&T CORP.
ITALY MERGER CORP.
AND
TELE-COMMUNICATIONS, INC.
Dated as of June 23, 1998**

TABLE OF CONTENTS

ARTICLE I

Definitions	A-5
-------------------	-----

ARTICLE II

The Restructuring and the Merger	A-13
2.1. The Restructuring	A-13
2.2. The Merger	A-14
2.3. Effective Time	A-14
2.4. Closing	A-14

ARTICLE III

Terms of Merger	A-14
3.1 Certificate of Incorporation	A-14
3.2. The By-Laws	A-14
3.3. Directors	A-15
3.4. Officers	A-15

ARTICLE IV

Share Consideration; Conversion or Cancellation of Shares in the Merger	A-15
4.1. Share Consideration; Conversion or Cancellation of Shares in the Merger	A-15
4.2. Payment for Shares in the Merger	A-18
4.3. Fractional Shares	A-20
4.4. Transfer of Shares after the Effective Time	A-22
4.5. Treatment of Series F Preferred Stock	A-22
4.6. Company Series Preferred Stock	A-22

ARTICLE V

Representations and Warranties of the Company	A-22
5.1. Organization, Etc. of the Company	A-22
5.2. Subsidiaries	A-22
5.3. Agreement	A-23
5.4. Permits; Compliance	A-23
5.5. Opinion of the Company's Financial Advisor	A-23
5.6. Capital Stock	A-23
5.7. Litigation	A-25
5.8. Compliance with Other Instruments, Etc.	A-25
5.9. Employee Benefit Plans	A-26
5.10. Taxes	A-27
5.11. Intellectual Property	A-28
5.12. Reports and Financial Statements	A-28
5.13. Absence of Certain Changes or Events	A-29
5.14. Affiliated Transactions and Certain Other Agreements	A-29
5.15. Brokers and Finders	A-29
5.16. Registration Statement	A-29
5.17. Separation of Assets and Liabilities	A-29

ARTICLE VI

Representations and Warranties of Parent and Merger Sub	A-30
6.1. Organization, Etc. of Parent	A-31
6.2. Subsidiaries	A-31
6.3. Agreement	A-31
6.4. Permits; Compliance	A-31
6.5. Opinions of Parent's Financial Advisors	A-31
6.6. Capital Stock	A-31
6.7. Parent Shares	A-32
6.8. Litigation	A-32
6.9. Compliance with Other Instruments, Etc.	A-32
6.10. Taxes	A-32
6.11. Intellectual Property	A-33
6.12. Reports and Financial Statements	A-33
6.13. Brokers and Finders	A-33
6.14. Registration Statement	A-34
6.15. Ownership of Merger Sub; No Prior Activities; Assets of Merger Sub	A-34
6.16. Ownership of Company Stock	A-34

ARTICLE VII

Additional Covenants and Agreements	A-34
7.1. Conduct of Business of the Company	A-34
7.2. Other Transactions	A-38
7.3. Stockholder Approval	A-38
7.4. Registration Statement and Proxy Statement	A-39
7.5. Reasonable Efforts	A-40
7.6. Access to Information	A-41
7.7. Indemnification of Directors and Officers	A-41
7.8. Registration and Listing of Parent Common Shares	A-42
7.9. Affiliates of Parent and the Company	A-43
7.10. Tax Matters	A-43
7.11. New York Real Property Transfer Tax	A-43
7.12. Employee Matters	A-43
7.13. Tax Sharing Agreement	A-44
7.14. Other Intercompany Agreements	A-44
7.15. Parent Board of Directors	A-44
7.16. Parent Charter Amendment, Bylaw Amendment and Policy Statement	A-45
7.17. Intercompany Transactions	A-45
7.18. Certain Inter-Group Relationships	A-45
7.19. Cable Joint Ventures	A-45
7.20. Certain Actions by Parent and the Surviving Corporation	A-45

ARTICLE VIII

Conditions	A-45
8.1. Conditions to Each Party's Obligations	A-45
8.2. Conditions to Obligations of Parent and Merger Sub	A-46
8.3. Conditions to Obligations of the Company	A-47

ARTICLE IX

Termination	A-48
9.1. Termination by Mutual Consent	A-48
9.2. Termination by Either Parent or the Company	A-48
9.3. Termination by the Company	A-48
9.4. Termination by Parent and Merger Sub	A-48
9.5. Effect of Termination and Abandonment	A-49
9.6. Payment of Certain Fees	A-49

ARTICLE X

Miscellaneous and General	A-49
10.1. Expenses	A-49
10.2. Notices, Etc.	A-49
10.3. Amendments, Waivers, Etc.	A-50
10.4. No Assignment	A-50
10.5. Entire Agreement	A-50
10.6. Specific Performance	A-50
10.7. Remedies Cumulative	A-50
10.8. No Waiver	A-50
10.9. No Third Party Beneficiaries	A-51
10.10. Jurisdiction	A-51
10.11. Public Announcements	A-51
10.12. Governing Law	A-51
10.13. Name, Captions, Etc.	A-51
10.14. Counterparts	A-51
10.15. Survival of Representations, Warranties, Covenants and Agreements	A-51
10.16. Severability	A-51
10.17. Disclosure Statements	A-52

EXHIBITS

A	Form of Amendment to the Parent Charter
B	Form of Affiliate Letter
C	Terms of Amendment to Tax Sharing Agreement
D	Form of Bylaw Amendment and Policy Statement

SCHEDULES

2.1(a)	Terms of the Company Restructuring
2.1(c)(i)	Form of Certificate of Incorporation and Bylaws of Liberty Media Corporation
2.1(c)(ii)	Form of Contribution Agreement
2.1(c)(iii)	Form of LLC Agreement of Liberty Group LLC
2.1(c)(iv)	Form of Section 2.1(c)(iv) Letter
7.12(b)	Definitions of "Good Reason" and "Cause"
7.12(e)	Form of Tax Protection Agreement
7.14	Intercompany Agreement Principles
7.18	Certain Terms of Inter-Group Relationship

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (this "*Agreement*"), dated as of June 23, 1998, among AT&T Corp., a New York corporation ("*Parent*"), Italy Merger Corp., a Delaware corporation and a direct wholly owned subsidiary of Parent ("*Merger Sub*"), and Tele-Communications, Inc., a Delaware corporation (the "*Company*").

RECITALS

WHEREAS, the Boards of Directors of Parent, Merger Sub and the Company each have determined that it is advisable and in the best interests of their respective stockholders for Merger Sub to merge with and into the Company, upon the terms and subject to the conditions of this Agreement (the "*Merger*");

WHEREAS, for United States federal income tax purposes, it is intended that the Merger shall qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code;

WHEREAS, Parent, Merger Sub and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Merger; and

WHEREAS, Parent and Merger Sub have required, as a condition to their willingness to enter into this Agreement, that the Stockholders contemporaneously enter into the Voting Agreement concurrently with the execution and delivery of this Agreement.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements set forth herein, Parent, Merger Sub and the Company hereby agree as follows:

ARTICLE I

DEFINITIONS

As used in this Agreement, the following terms shall have the respective meanings set forth below:

"Adjusted Liberty Media Group Outstanding Interest Fraction": As defined in the Company Charter.

"Adjusted TCI Ventures Group Outstanding Interest Fraction": As defined in the Company Charter.

"Affiliate": As defined in Rule 12b-2 under the Exchange Act.

"@Home": At Home Corporation, a Delaware corporation.

"@Home Class A Shares": Series A Common Stock, par value \$.01 per share, of @Home.

"@Home Class B Shares": Series B Common Stock, par value \$.01 per share, of @Home.

"@Home Shares": Collectively, @Home Class A Shares and @Home Class B Shares.

"Authorization": Any consent, approval or authorization of, expiration or termination of any waiting period requirement (including pursuant to the HSR Act) by, or filing, registration, qualification, declaration or designation with, any Governmental Body.

"Benefit Arrangement": As defined in Section 5.9(a).

"Capital Spending Plan": As defined in Section 7.1.

"Certificate of Merger": The certificate of merger with respect to the merger of Merger Sub with and into the Company, containing the provisions required by, and executed in accordance with, Section 251 of the DGCL.

"Certificates": Collectively, TCI Group Certificates, Liberty Media Certificates and, if applicable, TCI Ventures Certificates.

"Claim": As defined in Section 7.7(a).

"Closing": The closing of the Merger.

"Closing Date": The date on which the Closing occurs.

"Code": The Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder, as in effect from time to time.

"Committed Acquisition Shares": As defined in the Company Charter.

"Company": Tele-Communications, Inc., a Delaware corporation.

"Company Charter": The Amended and Restated Certificate of Incorporation of the Company, as amended to the date hereof and as it may be further amended prior to the Effective Date with the consent of Parent pursuant to Section 7.1.

"Company Class A Preferred Stock": As defined in Section 5.6(c).

"Company Class B Junior Preferred Stock": As defined in Section 5.6(c).

"Company Common Stock": As defined in Section 5.6(a).

"Company Disclosure Statement": The disclosure statement, dated the date of this Agreement, delivered by the Company to Parent.

"Company Employees": As defined in Section 7.12(d).

"Company Permits": As defined in Section 5.4.

"Company Preferred Stock": As defined in Section 5.6(a).

"Company Representatives": As defined in Section 7.6.

"Company SEC Reports": As defined in Section 5.12.

"Company Series Preferred Stock": As defined in Section 5.6(c).

"Company Stockholders Meeting": The stockholders meeting of the Company in connection with the transactions contemplated hereby, including any adjournments or postponements thereof.

"Confidentiality Agreement": The Nondisclosure Agreement, dated as of May 26, 1998, between Parent and the Company.

"Contribution Agreement": As defined in Section 2.1(c).

"Control": With respect to any Person, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.

“Controlled Group Liability”: As defined in Section 5.9(e).

“DGCL”: The Delaware General Corporation Law.

“Effective Time”: As defined in Section 2.3.

“Employee Plan”: As defined in Section 5.9(a).

“Employees”: As defined in Section 5.9(a).

“ERISA”: The Employee Retirement Income Security Act of 1974, as amended, and all regulations promulgated thereunder, as in effect from time to time.

“ERISA Affiliates”: Any trade or business, whether or not incorporated, that is treated as a single employer with the Company or any of its Subsidiaries under Section 414(b) or (c) of the Code.

“Excess Parent Common Shares”: As defined in Section 4.3(a).

“Excess Parent Liberty Tracking (Liberty) Shares”: As defined in Section 4.3(b).

“Excess Parent Liberty Tracking (Ventures) Shares”: As defined in Section 4.3(c).

“Exchange Act”: The Securities Exchange Act of 1934, as amended.

“Exchange Agent”: As defined in Section 4.2(a).

“Exchange Fund”: The TCI Group Exchange Fund, the Liberty Media Exchange Fund or, if applicable, the TCI Ventures Exchange Fund.

“Exchange Ratios”: The TCI Group Exchange Ratios, the Liberty Media Exchange Ratios and, if applicable, the TCI Ventures Exchange Ratios.

“Executive Agreements”: As defined in Section 7.12(a).

“FCC”: The Federal Communications Commission.

“FCC Consent”: Actions by the FCC granting its consent to the transfer of control of the FCC Licenses in connection with the consummation of the transactions contemplated hereby.

“FCC Licenses”: All licenses, permits, construction permits and other authorizations issued by the FCC in connection with the business and operations of the Company and its Subsidiaries.

“Fractional Fund”: The Fractional Parent Common Fund, the Fractional Parent Liberty Tracking (Liberty) Fund or, if applicable, the Fractional Parent Liberty Tracking (Ventures) Fund.

“Fractional Parent Common Fund”: As defined in Section 4.3(a).

“Fractional Parent Liberty Tracking (Liberty) Fund”: As defined in Section 4.3(b).

“Fractional Parent Liberty Tracking (Ventures) Fund”: As defined in Section 4.3(c).

“Governmental Body”: Any federal, state, municipal, political subdivision or other governmental department, court, commission, board, bureau, agency or instrumentality, domestic or foreign.

“Group”: The TCI Group, the Liberty Media Group or the TCI Ventures Group.

“HSR Act”: The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“Indemnified Parties”: As defined in Section 7.7(a).

“Intellectual Property”: All industrial and intellectual property rights, including Proprietary Technology, patents, patent applications, trademarks, trademark applications and registrations, service marks, service mark applications and registrations, copyrights, know-how, licenses, trade secrets, proprietary processes, formulae and customer lists.

“knowledge”: With respect to the Company, the actual knowledge of any executive officer (determined in accordance with Rule 16a-1(f) under the Exchange Act as in effect on the date hereof) of the Company and, with respect to Parent or Merger Sub, the actual knowledge of any executive officer (determined in accordance with Rule 16a-1(f) under the Exchange Act as in effect on the date hereof) of Parent or Merger Sub, as the case may be.

“Law”: Any foreign or domestic law, statute, code, ordinance, rule, regulation promulgated, or order, judgment, writ, stipulation, award, injunction or decree entered by a Governmental Body.

“Liberty Media Corporation”: Liberty Media Corporation, a Delaware corporation.

“Liberty/Ventures Group”: Collectively, the TCI Ventures Group and the Liberty Media Group.

“Liberty Group LLC”: As defined in the Contribution Agreement.

“Liberty Media Certificates”: As defined in Section 4.2(b).

“Liberty Media Class A Exchange Ratio”: As defined in Section 4.1(b).

“Liberty Media Class A Stock”: Series A Liberty Media Group Common Stock, par value \$1.00 per share, of the Company.

“Liberty Media Class B Exchange Ratio”: As defined in Section 4.1(b).

“Liberty Media Class B Stock”: Series B Liberty Media Group Common Stock, par value \$1.00 per share, of the Company.

“Liberty Media Exchange Fund”: As defined in Section 4.2(a).

“Liberty Media Exchange Ratios”: As defined in Section 4.1(b).

“Liberty Media Group”: The assets, liabilities and businesses of the Company known as “Liberty Media Group” (as represented by the Liberty Media Tracking Shares).

“Liberty Media Group Outstanding Interest Fraction”: As defined in the Company Charter.

“Liberty Media Members”: Those Subsidiaries of the Company whose assets, businesses and results of operations are attributed to the Liberty Media Group (assuming that the Restructuring had occurred as contemplated by Section 2.1).

“Liberty Media Option”: As defined in Section 4.1(f).

“Liberty Media Share Consideration”: As defined in Section 4.1(d).

“Liberty Media Tracking Shares”: Collectively, shares of Liberty Media Class A Stock and shares of Liberty Media Class B Stock.